

# APPENDIX A

## FY05 Corporate & Appropriated Budget Year-end Review

**FY05 CORPORATE BUDGET****EXECUTIVE SUMMARY:****FY05 Original and Revised Budget Comparison****Income:**

Original Budget (excluding CAPMart)	\$1,979,582
Revised Budget (excluding CAPMart)	\$2,209,868

**Expenses:**

The FY05 corporate budget was 87% executed as of 31 October 2005.

Initial budget was based on zero growth and later reduced 7% for senior and cadet members.

Dues increase of \$5 per cadet and senior member occurred 1 Oct 2005 that generated additional \$135,220 income.

Investment account established for cash reserve. (\$97,947)

Corporate sponsorship funds obtained for the National Cadet Competition. (\$55,000).

Interest expense created due to use of line-of-credit. (\$51,308)

Credit card expense created due to increased on-line registrations. (\$22,000)

Glider orientation flights increased \$45,000.

## INCOME (Projected):

	FY05 Original Income	FY05 Revised Income	FY05 Income Received	FY05 Balance	% Rcvd
<b>MEMBERSHIP - \$5.00 dues increase effective 1 Oct 04</b>					
Seniors 35,300 @ \$30 (Basis 35,300 as of Feb 04 with zero growth projected)	(\$1,059,000)		(\$1,085,323)	\$1,085,323	#DIV/0!
Seniors 32,437 @ \$35 (Dues increase / Adjusted projection through Sept 05)		(\$1,135,295)			
Cadets 26,500 @ \$20 (Basis 26,500 as of Feb 04 with zero growth projected)	(\$530,000)				
Cadets 23,557 @ \$25 (Dues increase - Adjusted projection through Sep 05) (Includes \$25K - Cadet Contingency)		(\$613,925)	(\$536,923)	(\$77,003)	87%
New Senior Member Packets @ \$10/ea (6,200) - (Offset by expense account) (Cadet Education Material funded through appropriated budget in FY05)	(\$62,000)	(\$62,000)	(\$44,960)	(\$17,040)	73%
<b>VEHICLE SELF-INSURANCE - Offset by an expense account and is revenue neutral</b>	(\$16,920)	(\$16,920)	(\$15,860)	(\$1,060)	94%
<b>SUMMER NATIONAL BOARD</b>	(\$135,000)	(\$135,000)	(\$142,067)	\$7,067	105%
<b>WINTER NATIONAL BOARD</b>	(\$9,000)	(\$9,000)	(\$11,305)	\$2,305	126%
<b>NCASE - Scheduled for Oct 2006 (FY07) - No income projected in FY05</b>	-	-			
<b>INTEREST &amp; MISC INCOME -</b>					
MBNA (\$23k), Membership Contributions (\$30k), Interest Income (\$3k), CAP News subscriptions (\$1,500), Undesignated contributions (\$10k), Misc Income (\$4k)	(\$71,500)	(\$71,500)	(\$49,660)	(\$21,840)	69%
Cadet Scholarship Fund Income - (Offset by expense account)	(\$43,000)	(\$43,000)	(\$43,000)	\$0	100%
Interest and Dividends from Investments	(\$33,162)	(\$33,162)	(\$14,373)	(\$18,789)	43%
Corporate Sponsorships		(\$55,000)	(\$78,402)	\$23,402	143%
FY 04 Funds Designated for NCC (Tanis \$15K / VTS \$5K)		(\$20,000)	(\$20,000)	\$0	100%
FY 04 Funds (Cessna balance) Designated for Oshkosh		(\$12,852)	(\$12,852)	\$0	100%
Cadet Program Reserve Corporate Contingency	(\$20,000)				
Corporate Contributions (Designated offset by expense account)		(\$2,214)	(\$2,214)	(\$0)	100%
<b>CORP INCOME - EXCLUDING CAPMART</b>	<b>(\$1,979,582)</b>	<b>(\$2,209,868)</b>	<b>(\$2,056,938)</b>	<b>(\$152,930)</b>	<b>93%</b>
<b>CAPMART INCOME PROJECTION - Sales \$ 1,600,000</b>	(\$2,102,123)	(\$1,600,000)	(\$1,643,397)	\$43,397	103%
Cost of Goods Sold <u>(\$960,000)</u>	<u>(\$1,220,307)</u>	<u>(\$960,000)</u>	<u>(\$953,486)</u>	(\$6,514)	99%
<b>Gross Profit on Sales \$ 640,000</b>	(\$881,816)	(\$640,000)	(\$689,911)	\$49,911	108%
<b>TOTAL INCOME :</b>	<b>(\$2,861,398)</b>	<b>(\$2,849,868)</b>	<b>(\$2,746,849)</b>	<b>(\$103,019)</b>	<b>96%</b>

**EXPENSES (Projected):****Account Description****National Officer Travel**

Travel expenses for official CAP business

Dept 005--National Commander -

--Travel

--Telephone

--Supplies

--Directed travel--other needed for official business

Dept 010--National Vice Commander -

--Travel

--Telephone

Dept 015--Chief of Staff

Dept 020--National Finance Officer

Dept 025--National Controller

Dept 030--National Legal Officer

--National Health Officer

Wing Commanders' travel to National Board on as needed basis

(Travel request approved by Region Commander)

**Sub Total****Corporate Contingency**

Corporate Contingency for unbudgeted expenses directed by NB, NEC, or BoG

**Sub Total**

	FY05 Orig Budget	FY05 Revised Budget	FY05 Obligated	FY05 Actual	FY05 Balance	% Spent
Dept 005--National Commander -						
--Travel	\$18,000	\$23,919	\$0	\$23,919	\$0	100%
--Telephone	\$1,700	\$1,522	\$0	\$1,522	\$0	100%
--Supplies	\$300	\$1,315	\$0	\$1,315	\$0	100%
--Directed travel--other needed for official business	\$50,000	\$43,315	\$0	\$41,645	\$1,671	96%
Dept 010--National Vice Commander -						
--Travel	\$15,000	\$14,500	\$0	\$14,500	\$0	100%
--Telephone	\$1,000	\$2,400	\$0	\$2,400	\$0	100%
Dept 015--Chief of Staff	\$13,000	\$13,000	\$0	\$6,763	\$6,237	52%
Dept 020--National Finance Officer	\$4,000	\$4,000	\$0	\$4,000	\$0	100%
Dept 025--National Controller	\$4,000	\$4,000	\$0	\$2,897	\$1,103	72%
Dept 030--National Legal Officer	\$4,000	\$4,229	\$0	\$3,348	\$881	79%
--National Health Officer	\$800	\$800	\$0	\$800	\$0	100%
Wing Commanders' travel to National Board on as needed basis (Travel request approved by Region Commander)	\$39,000	\$39,000	\$0	\$11,635	\$27,365	30%
<b>Sub Total</b>	<b>\$150,800</b>	<b>\$152,000</b>	<b>\$0</b>	<b>\$114,743</b>	<b>\$37,257</b>	<b>75%</b>
<b>Corporate Contingency</b>						
Corporate Contingency for unbudgeted expenses directed by NB, NEC, or BoG	\$29,500	\$29,500	\$0	\$20,046	\$9,454	68%
<b>Sub Total</b>	<b>\$29,500</b>	<b>\$29,500</b>	<b>\$0</b>	<b>\$17,007</b>	<b>\$12,493</b>	<b>58%</b>

	FY05 Orig Budget	FY05 Revised Budget	FY05 Obligated	FY05 Actual	FY05 Balance	% Spent
<b>CAP Regions</b>						
Provides command and control of resources for assigned Wings.						
Dept 200--NER Commander Travel expenses needed for official business	\$8,000	\$8,000	\$0	\$6,857	\$1,143	86%
--Northeast Region Operating fund for administration expenses	\$10,000	\$10,000	\$0	\$10,000	\$0	100%
Dept 300--MER Commander Travel expenses needed for official business	\$8,000	\$8,000	\$0	\$3,861	\$4,139	48%
--Middle East Region Operating Fund for administrative expenses	\$10,000	\$10,000	\$0	\$10,000	\$0	100%
Dept 400--GLR Commander Travel expenses needed for official business	\$8,000	\$8,000	\$0	\$4,938	\$3,062	62%
--Great Lakes Region Operating Fund for administrative expenses	\$10,000	\$10,000	\$0	\$10,000	\$0	100%
Dept 500--SER Commander Travel expenses needed for official business	\$8,000	\$8,000	\$0	\$5,234	\$2,766	65%
--Southeast Region Operating Fund for administrative expenses	\$10,000	\$10,000	\$0	\$10,000	\$0	100%
Dept 600--NCR Commander Travel expenses needed for official business	\$8,000	\$8,000	\$0	\$7,497	\$503	94%
--North Central Region Operating Fund for administrative expenses	\$10,000	\$10,000	\$0	\$10,000	\$0	100%
Dept 700--SWR Commander Travel expenses needed for official business	\$8,000	\$8,000	\$0	\$7,096	\$904	89%
--Southwest Region Operating Fund for administrative expenses	\$10,000	\$10,000	\$0	\$10,000	\$0	100%
Dept 800--RMR Commander Travel expenses needed for official business	\$8,000	\$8,000	\$0	\$6,398	\$1,602	80%
--Rocky Mountain Region Operating Fund for administrative expenses	\$10,000	\$10,000	\$0	\$10,000	\$0	100%
Dept 900--PACR Commander Travel expenses needed for official business	\$8,000	\$8,000	\$0	\$8,000	\$0	100%
--Pacific Region Operating Fund for administrative expenses	\$10,000	\$10,000	\$0	\$10,000	\$0	100%
--Congressional Squadron Operations (New Category in FY05)	\$2,000	\$2,000	\$0	\$2,000	\$0	100%
<b>SubTotal</b>	<b>\$146,000</b>	<b>\$146,000</b>	<b>\$0</b>	<b>\$132,041</b>	<b>\$13,959</b>	<b>90%</b>

	FY05 Orig Budget	FY05 Revised Budget	FY05 Obligated	FY05 Actual	FY05 Balance	% Spent
<b>Chaplain Services</b>						
Program management of over 900 Chaplain service personnel providing ministry to senior and cadet members, critical incident stress counseling, and moral leadership guidance.						
Dept 035 / 052						
--National Chaplain Travel- Expenses for official business	\$4,000	\$7,660	\$0	\$6,045	\$1,615	79%
--Dean of Chaplain Colleges expenses. Attends 4 colleges.	\$2,500	\$2,500	\$0	\$1,074	\$1,426	43%
--Chaplain Staff Colleges-Admin expenses - 4 Region Colleges in FY05	\$14,000	\$14,000	\$0	\$12,300	\$1,700	88%
--Advisory Committee Travel / Admin - (Unfunded in FY05)						
--Writing team travel expenses to rewrite moral leadership courses.	\$2,500	\$2,500	\$0	\$1,837	\$663	73%
--National Board Clergy Honoraria & Gifts	\$500	\$500	\$0	\$164	\$336	33%
--Advisory Council Strategic Planning Institute - (Unfunded in FY05)	-	-				
<b>Sub Total</b>	<b>\$23,500</b>	<b>\$27,160</b>	<b>\$0</b>	<b>\$21,420</b>	<b>\$5,740</b>	<b>79%</b>
<b>Advanced Technologies - Supports new technology</b>	\$23,000	\$23,000	\$0	\$18,609	\$4,391	81%
to enhance mission capabilities & high tech/computer education opportunities; conducts seminars & training of CAP members in use of technologies such as ARCHER and VCN from Boeing (Initial unfunded portion of \$17,000)						
<b>Sub Total</b>	<b>\$23,000</b>	<b>\$23,000</b>	<b>\$0</b>	<b>\$18,609</b>	<b>\$4,391</b>	<b>81%</b>

	FY05 Orig Budget	FY05 Revised Budget	FY05 Obligated	FY05 Actual	FY05 Balance	% Spent
<b>Executive Director</b>						
Chief operating officer manages the National Headquarters, and administers daily affairs. Dept 040						
--Office supplies	\$3,500	\$5,359	\$0	\$5,359	\$0	100%
--HQ telephone support (Cell Phone Policy -25% corp funds of bill for authorized users)	\$12,000	\$23,191	\$0	\$23,191	(\$0)	100%
--Professional Legislative Consulting Services	\$49,500	\$52,000	\$0	\$52,000	\$0	100%
--CAPMart Promotions	\$300	\$0	\$0	\$0	\$0	0%
 --Director, Strategic Partnerships						
--Salary and benefits	\$86,850	\$101,045	\$0	\$101,045	\$0	100%
--Travel expenses	\$13,000	\$12,000	\$0	\$10,900	\$1,100	91%
--Supply	\$1,000	\$1,127	\$0	\$1,127	(\$0)	100%
--Telephone	\$2,400	\$2,828	\$0	\$2,828	(\$0)	100%
--Postage	\$1,000	\$445	\$0	\$303	\$142	68%
 --Safety						
--CAP Safety Initiatives	\$13,500	\$6,750	\$0	\$6,175	\$575	91%
 <b>Sub Total</b>	<b>\$183,050</b>	<b>\$204,745</b>	<b>\$0</b>	<b>\$202,928</b>	<b>\$1,817</b>	<b>99%</b>

	FY05 Orig Budget	FY05 Revised Budget	FY05 Obligated	FY05 Actual	FY05 Balance	% Spent
<b>General Counsel</b>						
Provides legal advice and legal services to the Board of Governors, the Executive Director and his staff, and the National Commander.						
Dept 050--Professional Legal Services for outside counsel	\$35,000	\$36,067	\$0	\$36,067	(\$0)	100%
--Biennial National Legal Officers Staff College-Admin expenses for in-residence program. 50 attendees (course held every other year)	\$4,500	\$4,500	\$0	\$4,500	\$0	100%
--Dissolution of Ranger, Inc.	\$0	\$333	\$0	\$333	\$0	100%
<b>Sub total</b>	<b>\$39,500</b>	<b>\$40,900</b>	<b>\$0</b>	<b>\$40,900</b>	<b>\$0</b>	<b>100%</b>
<b>Insurance</b>						
Self insurance for injuries occurring on CAP events. Other insurance funded by appropriations.						
Dept 050--Senior and Cadet Accident Claims for minor medical claims	\$10,000	\$11,865	\$0	\$11,865	\$0	100%
--Accident/Death Benefits. \$10,000 per claim with average two claims per year	\$20,000	\$20,000	\$0	\$0	\$20,000	0%
<b>Sub Total</b>	<b>\$30,000</b>	<b>\$31,865</b>	<b>\$0</b>	<b>\$11,865</b>	<b>\$20,000</b>	<b>37%</b>



	FY05 Orig Budget	FY05 Revised Budget	FY05 Obligated	FY05 Actual	FY05 Balance	% Spent
<b>LEADERSHIP DEVELOPMENT AND MEMBERSHIP SERVICES</b>						
<b>Aerospace Education</b>						
Provides aerospace education, professional development and, advanced distributed learning programs for CAP's cadet and senior members.						
Dept 045--						
--Aerospace Education promotion materials for 1,700 teacher members (recruiting, education material, etc)	\$24,000	\$14,500	\$0	\$14,386	\$114	99%
--Aerospace Education Travel	\$0	\$6,023	\$0	\$6,023	(\$0)	100%
--Teacher Orientation Flights- 57 flight hours for 10 workshops. Total attendance 170 (Teachers must be CAP members)	\$5,000	\$4,977	\$0	\$2,746	\$2,231	55%
<b>Sub Total</b>	<b>\$29,000</b>	<b>\$25,500</b>	<b>\$0</b>	<b>\$23,156</b>	<b>\$2,344</b>	<b>91%</b>

## LEADERSHIP DEVELOPMENT AND MEMBERSHIP SERVICES

	FY05 Orig Budget	FY05 Revised Budget	FY05 Obligated	FY05 Actual	FY05 Balance	% Spent
<b>Cadet and Senior Member Professional Development</b>						
To provide Civil Air Patrol with aerospace oriented programs and curricula that enhances the leadership and like skills of all cadet members thereby preparing responsible citizens for the USAF and the nation - 24,000 cadets effected						
Dept 065      Cadet Programs						
--International Air Cadet Exchange travel expenses for 103 international participants (Unfunded \$18k - one day in Washington, DC)	\$147,262	\$147,399	\$0	\$147,194	\$205	100%
--Cadet Flight Training Stipends at National Flight Academies (Unfunded \$30K) (20 cadets x10 flight academies x 150)						
--Cadet Officer School expenses: Total Attendance 120 cadets and 10 staff	\$17,000	\$17,000	\$0	\$17,000	\$0	100%
--Blue Beret: housing and food offset expenses for 126 cadet and 35 facility	\$6,000	\$6,000	\$0	\$6,000	\$0	100%
--Nat'l Flight Academy-Powered: (6 courses, 18 cadets per class, \$8k per course)	\$48,000	\$40,000	\$0	\$40,000	\$0	100%
--Nat'l Flight Academy-Glider: (2 courses, 18 cadets per class, \$8k per course)	\$24,000	\$20,600	\$0	\$20,600	\$0	100%
--Nat'l Specialized Academies:	-	-				
Aerospace Education Academy	\$3,000	\$8,000	\$0	\$8,000	\$0	100%
Advanced Technology Academies	\$5,000	\$7,500	\$0	\$7,500	\$0	100%
Engineering Technology Academies	\$4,000	\$6,300	\$0	\$6,265	\$35	99%
Military Music Academy	\$1,500	\$0	\$0	\$0	\$0	
Honor Guard Academy	\$1,500	\$5,000	\$0	\$5,000	\$0	100%
Civic Leadership Academy	\$12,000	\$19,906	\$0	\$19,906	\$0	100%
Aircraft Maintenance & Manufacturing	\$0	\$3,000	\$0	\$3,000	\$0	100%
--Familiarization Courses: (6 courses = 150 cadets @ \$124 each)						
AETC	\$6,275	\$6,275	\$0	\$6,275	\$0	100%
Air Force Weather Agency - Offutt AFB, NE	\$3,100	\$3,100	\$0	\$3,100	\$0	100%
AFSC	\$9,225	\$12,334	\$0	\$12,334	\$0	100%
--Nat'l Cadet Comp & Color Guard travel and expenses for 168 cadets & 52 staff Additional \$20K FY04 Corp Sponsors Tanis & Air Gator for FY 05 event Transportation subsidy of \$27,000 - Unfunded)	\$72,000	\$106,550	\$0	\$106,247	\$303	100%
--Hawk Mountain Ranger School: (Lodging offset total attendance 140 cadets)	\$4,500	\$4,500	\$0	\$4,500	\$0	100%
--Pararescue Orientation Course - (Safety equipment, lodging & meals for 45 cadets)	\$8,000	\$4,000	\$0	\$4,000	\$0	100%
--Region Leadership School: Lodging offset and educational materials 400	\$8,000	\$8,000	\$0	\$8,000	\$0	100%
--Nat'l Cadet Advisory Council: (FY05: Funds provided by Region CCs) (9 members' expenses for 2 in-person meetings)	-	-				
--Cadet Academic Scholarships: Offset by revenue account	\$43,000	\$43,000	\$0	\$43,750	(\$750)	102%
--Cadet Programs Travel	\$0	\$3,110	\$0	\$2,572	\$538	83%
--Cadet Activities Contingency	\$20,000	\$0	\$0	\$0	\$0	0%
<b>Sub Total</b>	<b>\$443,362</b>	<b>\$471,573</b>	<b>\$0</b>	<b>\$471,243</b>	<b>\$330</b>	<b>100%</b>

## Cadet and Senior Member Professional Development (Continued)

	FY05 Orig Budget	FY05 Revised Budget	FY05 Obligated	FY05 Actual	FY05 Balance	% Spent
<b>Professional Development</b>						
--National Staff College, in residence- Executive development program admin expenses 120 attendees.	\$7,500	\$10,675	\$0	\$9,439	\$1,236	88%
--Region Staff Colleges- Admin expenses for 8 programs. Total attendance 220.	\$28,000	\$14,000	\$0	\$13,999	\$1	100%
--Squadron Leadership School- Admin expenses, wings conduct one per year. 900 attendees. (FY05 / Wing Expense @ \$240 ea Wing.)	\$0	\$0	\$0	\$0	\$0	0%
--Corporate Learning Course- Admin expenses, wings conduct one per year. 550 attendees. (FY05 / Wing Expense @ \$140 ea Wing)	\$0	\$0	\$0	\$0	\$0	0%
--Wing Commanders Course- Admin expenses for new WG/CCs, once a year 20 attendees. (Transfer \$6,000 training expense to appropriated budget)	\$6,150	\$13,006	\$0	\$13,006	\$0	100%
<b>Sub Total</b>	<b>\$41,650</b>	<b>\$37,681</b>	<b>\$0</b>	<b>\$36,444</b>	<b>\$1,237</b>	<b>97%</b>
<b>Education and Training Center, Oshkosh</b>						
Provide Civil Air Patrol a facility in an aviation rich environment where cadets and senior members can learn, improve, and enhance their aerospace education, leadership, and emergency service skills and knowledge while partnering with EAA in aerospace education outreach.						
Dept 115						
--Land Lease	\$1,200	\$924	\$0	\$924	\$0	100%
--Utilities	\$3,500	\$7,495	\$0	\$7,495	(\$0)	100%
--Facility Maintenance	\$7,500	\$7,500	\$0	\$6,205	\$1,295	83%
--Improvement Funds to be used for safety items; paving parking lots, air conditioning in dining area, etc. (Includes FY04 Cessna balance - \$12,852)	\$10,000	\$17,852	\$0	\$11,876	\$5,976	67%
--Property Taxes	\$500	\$0	\$0	\$0	\$0	0%
<b>Sub Total</b>	<b>22,700</b>	<b>33,771</b>	<b>0</b>	<b>26,500</b>	<b>\$7,271</b>	<b>78%</b>
Dept 114						
--Hawk Mountain Ranger School: facility improvement - Increase request (requirement requested for sewer system to maintain facility)	\$4,000	\$4,000	\$0	\$4,000	\$0	100%
	<b>\$4,000</b>	<b>\$4,000</b>	<b>\$0</b>	<b>\$4,000</b>	<b>\$0</b>	<b>100%</b>

	FY05 Orig Budget	FY05 Revised Budget	FY05 Obligated	FY05 Actual	FY05 Balance	% Spent
<b>Membership Services</b>						
Dept 057						
--Senior Training Ribbons and Certificates	\$400	\$92	\$0	\$92	(\$0)	100%
--Awards	\$14,000	\$18,308	\$81	\$14,777	\$3,451	81%
--In-bound telephone 1-800 Membership Development Number: (Approx 4,000/yr)	\$3,500	\$2,000	\$0	\$1,621	\$379	81%
--Membership Development: Funding to promote membership campaign	\$20,000	\$18,000	\$0	\$11,363	\$6,637	63%
<b>Sub Total</b>	<b>\$37,900</b>	<b>\$38,400</b>	<b>\$81</b>	<b>\$27,853</b>	<b>\$10,466</b>	<b>73%</b>
Membership packet program provides CAP materials to new senior members -						
FY05 - Senior packets only; Cadet education materials funded from Appropriated budget (Offset by income - revenue neutral)						
--Salary/Benefits @ 25% (Senior materials only)	\$9,600	\$9,600	\$0	\$7,722	\$1,878	80%
--Supplies	\$26,200	\$26,200	\$0	\$26,052	\$148	99%
--Shipping	\$26,200	\$28,200	\$1,058	\$24,577	\$2,564	91%
<b>Sub Total</b>	<b>\$62,000</b>	<b>\$64,000</b>	<b>\$1,058</b>	<b>\$58,351</b>	<b>\$4,590</b>	<b>93%</b>
<b>FINANCIAL MANAGEMENT</b>						
Dept 070--						
Wing Finance Officer Travel - FM Summit	\$4,000	\$3,622	\$0	\$3,622	\$0	100%
Payroll Processing Fee	\$0	\$3,500	\$0	\$3,004	\$496	86%
Misc Bank Expense	\$0	\$580	\$0	\$580	(\$0)	100%
Interest Expense	\$0	\$55,794	\$0	\$55,794	\$0	100%
Credit Card Expense	\$0	\$22,000	\$0	\$20,741	\$1,259	94%
Cash Reserve Fund	\$0	\$97,479	\$0	\$0	\$97,479	0%
Bad Check Expense	\$0	\$0	\$0	(\$177)	\$177	
<b>Sub Total</b>	<b>\$4,000</b>	<b>\$182,975</b>	<b>\$0</b>	<b>\$83,564</b>	<b>\$99,411</b>	<b>46%</b>

	FY05 Orig Budget	FY05 Revised Budget	FY05 Obligated	FY05 Actual	FY05 Balance	% Spent
<b>PUBLIC AFFAIRS</b>						
To inform internal and external audiences of Civil Air Patrol's activities; enable the organization to grow; protect the image and assets of the corporation, and strengthen relationships with key audiences and customers.						
Dept 075--						
--CAP News: 6 months, 28 - 32 page issue, circulation of 70,000	\$144,000	\$127,362	\$1,560	\$125,445	\$356	100%
--Special Printing: Paper, and printing for special projects (posters, flyers, etc.)	\$11,500	\$21,711	\$0	\$9,126	\$12,585	42%
--Electronic media: supplies & maintenance for multi-media productions.	\$35,000	\$35,000	\$7,249	\$27,629	\$122	100%
-- New CAP Exhibit: (\$35k unfunded)	-	-				
--CAP Exhibits: 7 shows (space, shipping & related costs)	\$30,000	\$39,794	\$0	\$39,280	\$514	99%
--Promotional items for exhibits, i.e. pens, coasters, etc. Promotes booth traffic	\$10,000	\$5,292	\$0	\$5,292	\$0	100%
--Professional memberships & resources such as clipping services and media database software.	\$14,000	\$15,502	\$0	\$15,502	(\$0)	100%
--Oshkosh Aircraft Display: Air show reaches 1 million people, assoc display costs	\$6,000	\$2,373	\$0	\$2,283	\$90	96%
--Public Awareness Expenses - Using print, radio & television media	\$60,000	\$60,436	\$8,122	\$52,108	\$205	100%
<b>Sub Total</b>	<b>\$310,500</b>	<b>\$307,469</b>	<b>\$16,931</b>	<b>\$276,666</b>	<b>\$13,872</b>	<b>95%</b>
<b>INFORMATION TECHNOLOGY</b>						
Data Automation - Processes membership renewals and cards. 75,000 notices per year						
Dept 080--Membership card supplies	\$29,600	\$7,097	\$0	\$6,494	\$603	92%
IT Development - Picture ID Card	\$0	\$0	\$0	\$0	\$0	0%
IT Development - Cadet Program Activity System	\$0	\$0	\$0	\$0	\$0	0%
IT Development - Membership Multi-Year Renewals	\$0	\$0	\$0	\$0	\$0	0%
<b>Sub Total</b>	<b>\$29,600</b>	<b>\$7,097</b>	<b>\$0</b>	<b>\$6,494</b>	<b>\$603</b>	<b>92%</b>

	FY05 Orig Budget	FY05 Revised Budget	FY05 Obligated	FY05 Actual	FY05 Balance	% Spent
<b>OPERATIONS</b>						
Provide cost-effective, force multiplying air and ground emergency response missions. Develop effective flight management, safety, standardization, training, and communications programs to support these missions. Corporate funding supports federal appropriations.						
Dept 090						
--Emergency Services- Training programs & initiatives, books, videos, and other materials.	\$10,000	\$9,725	\$18,364	\$6,312	(\$14,952)	254%
--Stan Eval- Course videos, books and other materials	\$5,000	\$1,000	\$0	\$979	\$21	98%
--Nat'l Ground Search and Rescue School- expenses for 100 volunteer staff instructors	\$10,000	\$10,000	\$375	\$9,517	\$108	99%
--CISM- Critical Incident Stress Mgmt expenses for 8 region training teams. 200 attendees	\$6,000	\$6,275	\$0	\$6,275	\$0	100%
--National Paging System - Requirement approved by NEC Wing/Region Commanders + 1 Alert Officer (120 pagers @ \$20/mo = \$2400/mo)	\$27,800	\$9,287	\$0	\$6,720	\$2,567	72%
--Homeland Security Mission Travel - National Director	\$4,000	\$2,000	\$0	\$1,550	\$450	78%
--Glider Orientation Flights: (Unfunded \$63K)						
MINOR MAINTENANCE	\$8,500	\$40,809	\$0	\$27,037	\$13,772	66%
AIRCRAFT FUEL	\$8,500	\$21,191	\$0	\$10,312	\$10,880	49%
<b>Sub Total</b>	<b>\$79,800</b>	<b>\$100,287</b>	<b>\$18,739</b>	<b>\$68,702</b>	<b>\$12,846</b>	<b>87%</b>

	FY05 Orig Budget	FY05 Revised Budget	FY05 Obligated	FY05 Actual	FY05 Balance	% Spent
<b>LOGISTICS</b>						
Dept 095						
-- Vehicle Self-Insurance (Offset by income): Region and Wing Claims	\$16,920	\$16,920	\$1,011	\$15,479	\$430	97%
--Arizona Wing L3 - Maintenance (Requirement on L3 mx approved by NEC)	\$1,500	\$0	\$0	\$0	\$0	0%
--Postage						
- Mail-outs for Corporate projects not previously budgeted	\$10,000	\$5,000	\$0	\$1,184	\$3,816	24%
- Equipment Lease \$200/mo	\$2,400	\$2,400	\$0	\$2,000	\$400	83%
- Supplies	\$400	\$402	\$0	\$402	(\$0)	100%
<b>Sub Total</b>	<b>\$31,220</b>	<b>\$24,722</b>	<b>\$1,011</b>	<b>\$19,065</b>	<b>\$4,646</b>	<b>81%</b>
<b>PLANS AND SPECIAL EVENTS</b>						
National Programs - Provides meeting planning & logistical support to annual conferences and board meetings.						
--Allocation of appropriated salary/benefits to corporate budget	\$40,000	\$40,187	\$0	\$28,705	\$11,482	71%
--National Board Meeting Conference Fee. Annual conference 1000 attendees (Offset by income)	\$135,000	\$151,416	\$0	\$142,328	\$9,088	94%
--Winter National Board Meeting Conference Fee.	\$18,000	\$23,266	\$0	\$23,266	\$0	100%
--National Board Committee chairmen travel expenses for 5 at \$1,600 each	\$8,000	\$5,392	\$0	\$3,299	\$2,093	61%
--National Congress Air and Space Education Expenses. (Marketing expense in FY05)	\$10,000	\$0	\$0	\$0	\$0	
--National Executive Committee (NEC) Conference administrative expenses for semiannual meetings (50)	\$12,000	\$1,584	\$0	\$1,584	(\$0)	100%
--National Curator expenses for procuring and maintaining historical items.	\$10,000	\$8,000	\$0	\$5,233	\$2,767	65%
--Legislative Day Program - Flight suits/shirts for legislative squadrons; reception	\$15,000	\$13,754	\$0	\$13,754	\$0	100%
--Protocol Expenses - Amenities, Working lunches, Supplies, Replacement Flags (FY05 - Combined two protocol accounts into one)	\$10,500	\$11,824	\$0	\$10,004	\$1,820	85%
--Travel - Trips not allowable with appropriated funds	\$0	\$1,800	\$0	\$1,521	\$279	84%
<b>Sub Total</b>	<b>\$258,500</b>	<b>\$257,223</b>	<b>\$0</b>	<b>\$229,694</b>	<b>\$27,529</b>	<b>89%</b>
<b>TOTAL NHQ EXPENSES</b>	<b>\$1,979,582</b>	<b>\$2,209,868</b>	<b>\$37,821</b>	<b>\$1,891,246</b>	<b>\$280,802</b>	<b>87%</b>

	FY05 Orig Budget	FY05 Revised Budget	FY05 Obligated	FY05 Actual	FY05 Balance	% Spent
<b>CAPMart (As of 30 September 2005)</b>						
The mission of CAPMart is to provide the membership with quality merchandise (uniforms, ranks, regulations, etc.) at a fair and reasonable price.						
Dept 150						
-Salaries	420,000	282,190	\$0	272,113	\$10,077	96%
-Allocation of CAP HQ salaries/benefits to support bookstore	45,000	63,630	\$0	63,630	\$0	100%
-Retirement Annuity	12,000	6,032	\$0	5,420	\$612	90%
-Health Insurance	75,000	61,608	\$0	45,983	\$15,625	75%
-Life Insurance	1,000	700	\$0	614	\$86	88%
-FICA / Medicare	32,130	26,925	\$0	20,696	\$6,229	77%
-State Unemployment Tax	2,000	2,400	\$0	1,390	\$1,010	58%
-Payroll Expense / Professional Fees (Employment Agency/Temporary Help)	1,500	533	\$0	533	\$0	100%
-Professional Fees - Audit	7,000	7,160	\$0	7,160	\$0	100%
-Office Supplies/Data Processing Supplies	20,000	5,500	\$0	3,054	\$2,446	56%
-Telephone (FY05 = Approx \$4,100/mo)	50,000	50,000	\$0	44,391	\$5,609	89%
-Credit Card Expense	66,000	48,157	\$0	48,157	\$0	100%
-Bad Check Expense/Bad Debt/Charge Back Expense	500	524	\$0	417	\$107	80%
-Workman's Comp Insurance	0	7,302	\$0	7,302	\$0	100%
-Insurance (Property/Liability)	14,381	11,980	\$0	10,251	\$1,729	86%
-Equipment, Rental (Yearly)	10,693	8,000	\$0	7,594	\$406	95%
-Equipment Maintenance (New Category in FY05)	7,000	2,000	\$0	1,369	\$631	68%
-Computer Support (IBIS) (\$20,611.50/yr)	20,612	21,000	\$0	11,055	\$9,945	53%
-Vehicle Operating Expense	2,000	176	\$0	38	\$138	22%
-Vehicle Maintenance	2,000	336	\$0	336	\$0	100%
-National Board & Wg Conf. Expense (Set-up & Equipment)	14,000	9,075	\$0	9,075	\$0	100%
-Fixed Assets - Equipment	25,000	19,932	\$0	\$0	\$19,932	0%
-Professional Development	0	2,840	\$0	\$0	\$2,840	0%
-Gain/Loss on Sales	-	2,000	\$0	\$0	\$2,000	0%
-Office Postage / Shipping	5,000	-	\$0	\$0	\$0	0%
-Equipment Purchases	5,000	-	\$0	\$0	\$0	0%
-Advertising Expense	20,000	-	\$0	\$0	\$0	0%
-Miscellaneous Selling Expense	4,000	-	\$0	\$0	\$0	0%
-Inventory	20,000	-	\$0	\$0	\$0	0%
<b>TOTAL CAPMart Expenses</b>	<b>\$881,816</b>	<b>\$640,000</b>	<b>\$0</b>	<b>\$560,578</b>	<b>\$79,422</b>	<b>88%</b>
<b>TOTAL EXPENSES</b>	<b>\$2,861,398</b>	<b>\$2,849,868</b>	<b>\$37,821</b>	<b>\$2,451,824</b>	<b>\$360,224</b>	<b>87%</b>

Straight Line = 100%



**FY05 APPROPRIATED BUDGET****Executive Summary: FY05 Original and Revised Budget Comparison**

The FY05 initial baseline of \$21,888,000 was reduced by \$300,000 as indicated below.

The FY05 revised O&M budget includes Wing Administrator and Air Force end-of-year funds.

**INCOME:****FY05 Original Budget Funding**

	\$21,888,000	(O&M Baseline)
Less	110,000	(Across-the-board reduction - .005% tax)
Less	<u>190,000</u>	(Across-the-board reduction)
Total	\$21,588,000	

**FY05 Revised Budget (30 Sep 05) Funding**

	\$21,588,000	(Original O&M Budget)
Plus	134,000	(Plus-up)
Plus	229,750	(Wing Administrators)
Plus	<u>304,970</u>	(AF end-of-year fallout)
Total	\$22,256,720	

**EXPENSES:**

The FY05 appropriated budget is 96% executed as of 15 November 2005 with anticipated expenditures at 99%.

Funds in the amount of \$229,750 were added to the O&M baseline for Wing Administrators; unexecuted portion purchased LMRs.

The Air Force added \$304,970 in end-of-year fallout to purchase LMRs.

Travel expenses were reduced by 21% from the original estimation.

**FUNDING (O&M) :**

		<b>FY05 Original Budget</b>	<b>FY05 Budget 30-Sep-05</b>
Operations & Maintenance	5020-110-45-05-200	(21,588,000)	(22,256,720)
State Director Leases	5020-110-46-05-200		(31,023)
Drug Demand Reduction	5020-110-05-05-200	(350,000)	(420,000)
Falcon Virgo Missions (EL)	5020-110-11-05-200		(18,000)
A F ROTC Mission (EK)	5020-110-12-05-200	(150,012)	(190,000)
Hyperspectral Data Collection (EM)	5020-110-21-05-200		(5,000)
Red Flag Joint Rover Mission (EN)	5020-110-24-05-200		(21,930)
Altus Low Level Route Missions (EP)	5020-110-29-05-200		(3,458)
Shaw Low Level Route Missions (EQ)	5020-110-85-05-200		(904)
20th FW Low/Slow Missions #1 (ER)	5020-110-86-05-200		(1,000)
20th FW Low/Slow Missions #2 (ES)	5020-110-87-05-200		-
Hurlbert Field Low Lever Route Missions (ET)	5020-110-88-05-200		(4,080)
NY 174th AFB Low Level Route Missions (EU)	5020-110-83-05-200		(1,704)
Long Range Radar Test (EV)	5020-110-84-05-200		(2,540)
Luke AFB Low Level Route Missions (EW)	5020-110-89-05-200		(720)
Hurricane Katrina Missions (EX)	5020-110-91-05-200		(80,925)

**TOTAL O&M FUNDING :**

<b>(22,088,012)</b>	<b>(23,038,003)</b>
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**FUNDING (Procurement):**

Aircraft	5011-110-22-05-200	(1,816,800)	(2,904,800)
Vehicle	5011-110-23-05-200	(770,000)	(770,000)
Comm Equipment	5011-110-25-05-200	(1,500,000)	(1,500,000)

**TOTAL PROCUREMENT FUNDING :**

<b>(4,086,800)</b>	<b>(5,174,800)</b>
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**TOTAL APPROPRIATIONS**

<b>(26,174,812)</b>	<b>(28,212,803)</b>
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**EXPENSES:**

Account Description		FY05 Original Budget	FY05 Budget 30-Sep-05	FY05 Obligated	FY05 Actual	FY05 Balance	% Spent
<b>SALARIES AND BENEFITS</b>							
Headquarters	7210-000-00-05-200	8,939,700	8,542,711	-	8,524,460	18,251	100%
Wing Administrators	7210-062-00-05-200	-	36,493	-	36,493	-	100%
DDR - Designated funds	7210-000-05-05-200	117,400	105,243	-	105,078	165	100%
Payroll Processing Fee	7420-110-45-05-200	26,000	25,192	-	25,192	(0)	100%
<b>Sub Total</b>		<b>9,083,100</b>	<b>8,709,639</b>	<b>-</b>	<b>8,691,223</b>	<b>18,416</b>	<b>100%</b>

		FY05 Original Budget	FY05 Budget 30-Sep-05	FY05 Obligated	FY05 Actual	FY05 Balance	% Spent
<b>TRAVEL</b>							
Travel expenses for official CAP program business.							
Executive Director (FY05 Public Awareness travel in separate category)	8312-040-45-05-200	28,500	10,123	-	10,123	0	100%
Safety	8312-040-06-05-200	-	-	-	-	-	-
General Counsel	8312-050-45-05-200	9,400	8,489	-	8,489	-	100%
Inspector General	8312-038-45-05-200	60,800	71,706	-	71,706	0	100%
Plans & Programs	8312-060-45-05-200	22,900	7,273	-	7,273	(0)	100%
Public Affairs	8312-075-65-05-200	22,000	20,031	-	20,031	0	100%
Public Awareness (FY05 - New category)	8323-075-65-05-200	68,000	24,876	-	24,876	0	100%
Human Resources	8312-055-45-05-200	3,700	2,856	-	2,856	-	100%
Operations	8312-090-10-05-200	36,000	26,803	-	26,803	0	100%
Information Technology	8312-080-45-05-200	4,000	1,783	-	1,783	-	100%
Logistics	8312-095-45-05-200	14,900	17,368	-	17,368	(0)	100%
Financial Management	8312-070-45-05-200	32,500	30,376	-	30,376	(0)	100%
Membership Services	8312-057-40-05-200	2,500	1,400	-	1,400	-	100%
Cadet & Sr Member Professional Development	8312-065-35-05-200	29,300	35,000	-	35,000	(0)	100%
Chaplain Services-- (4 CAP Region conferences & 4 Natl conferences)	8312-052-38-05-200	10,000	7,513	-	7,513	-	100%
Aerospace Education & NHQ AE Program Managers	8312-045-30-05-200	55,500	33,236	-	33,236	0	100%
AE Program Manager- MER - Staff field aerospace assistance	8312-122-30-05-200	5,000	4,642	-	4,642	0	100%
AE Program Manager- RMR - Staff field aerospace assistance	8312-132-30-05-200	5,000	-	-	-	-	-
<b>Wing Financial Analysts--Staff field accounting assistants</b>							
WFA - C.Treadwell	8312-140-45-05-200	13,000	5,340	-	5,340	-	100%
WFA - R. Vest	8312-141-45-05-200	18,000	19,321	-	19,321	(0)	100%
WFA - M. Mann	8312-143-45-05-200	16,000	27,859	-	27,859	0	100%
WFA - Lowtharp	8312-144-45-05-200	5,000	10,043	-	10,043	-	100%
WFA - M. Mayhugh	8312-145-45-05-200	23,000	22,463	-	22,464	(0)	100%
WFA - M. Sims	8312-147-45-05-200	18,000	5,022	-	5,022	-	100%
WFA - C. Joy	8312-148-45-05-200	16,000	6,731	-	6,731	-	100%
SFA - S. Freeburg	8312-149-45-05-200	10,000	8,590	-	8,590	-	100%
<b>Meeting &amp; Conference Travel</b>							
BoG Members--Support 7 board members to 2 BoG meetings	8312-039-45-05-200	22,500	7,262	-	7,262	0	100%
NHQ to BoG Meetings-- Staff members to 2 BoG meetings	8313-039-45-05-200	11,000	12,538	-	12,538	(0)	100%
National Board--Staff for annual conference, effects 1100 attendees	8538-111-55-05-200	50,000	56,364	-	56,364	(0)	100%
National Board--/ Winter 18 staff for board business meetings	8538-111-56-05-200	21,000	18,558	-	18,558	(0)	100%
NCASE-- No conference in FY05							
NEC-- 9 staff @ \$750 @ 2 committee meetings, effects 80 attendees	8538-111-60-05-200	13,500	17,886	-	17,886	(0)	100%
Wing Conferences--One staff attendance @ 37 conferences @ \$750 ea	8317-111-45-05-200	28,000	19,147	-	19,147	(0)	100%
Region Conferences--6 staff attendance at 5 conferences	8318-111-45-05-200	25,000	9,992	-	9,992	0	100%
<b>Sub Total</b>		<b>700,000</b>	<b>550,592</b>	<b>-</b>	<b>550,592</b>	<b>0</b>	<b>100%</b>

		FY05 Original Budget	FY05 Budget 30-Sep-05	FY05 Obligated	FY05 Actual	FY05 Balance	% Spent
<b>OFFICE SUPPLIES</b>							
Supplies necessary for CAP programs. HQ provides commonly used supplies & office equipment for NHQ. Directorate accounts are for program specific supplies.							
Headquarters - Supplies, toner, copy paper, replacement chairs, desks, etc.	7710-110-45-05-200	87,000	86,239	-	86,239	0	100%
General Counsel	7710-050-45-05-200	1,000	258	-	258	-	100%
Inspector General	7710-038-45-05-200	1,000	900	-	871	29	97%
Plans & Programs	7710-060-45-05-200	800	1,255	-	1,255	-	100%
Public Affairs	7710-075-65-05-200	9,200	20,750	16,607	4,143	0	100%
Human Resources	7710-055-45-05-200	1,800	11	-	11	-	100%
Operations (Revised budget includes EOY funds)	7710-090-10-05-200	3,500	424,167	282,314	141,854	(0)	100%
Information Technology -Computer / Network supplies for NHQ	7710-080-45-05-200	25,000	33,553	-	33,553	(0)	100%
Financial Management	7710-070-45-05-200	1,000	2,580	-	2,580	0	100%
Logistics	7710-095-45-05-200	2,000	1,765	-	1,105	660	63%
Membership Services	7710-057-40-05-200	2,000	2,019	-	2,019	-	100%
Chaplain Services	7710-052-38-05-200	1,500	1,294	-	907	387	70%
Cadet Programs & Sr Member Professional Development	7710-065-35-05-200	2,500	1,333	-	1,333	-	100%
Aerospace Education & NHQ Program Managers	7710-045-30-05-200	10,000	19,739	8,097	11,118	524	97%
AE Program Manager- MER	7710-122-30-05-200	500	41	-	41	0	100%
AE Program Manager- RMR	7710-132-30-05-200	1,000	233	-	233	-	100%
LG / Mission Resources - Print Plant: Paper, ink, etc.	7710-088-45-05-200	137,000	42,197	-	41,561	636	98%
BoG Meeting Support--Meeting room rental, audio visual rental, lunch)	8520-039-45-05-200	7,000	5,653	-	5,653	0	100%
<b>Wing Financial Analysts</b>							
WFA - C.Treadwell	7710-140-45-05-200	1,000	424	-	424	-	100%
WFA - R. Vest	7710-141-45-05-200	800	362	-	380	(18)	105%
WFA - M. Mann	7710-143-45-05-200	800	499	-	499	0	100%
WFA - M. Mayhugh	7710-145-45-05-200	800	776	-	776	(0)	100%
WFA - M. Sims	7710-147-45-05-200	800	275	-	275	-	100%
WFA - C. Joy	7710-148-45-05-200	800	216	-	216	-	100%
SFA - S. Freeburg	7710-149-45-05-200	800	400	-	400	-	100%
<b>Sub Total</b>		<b>299,600</b>	<b>646,940</b>	<b>307,017</b>	<b>337,704</b>	<b>2,219</b>	<b>100%</b>

		FY05 Original Budget	FY05 Budget 30-Sep-05	FY05 Obligated	FY05 Actual	FY05 Balance	% Spent
<b>TELEPHONE</b>							
Official program support							
Headquarters - Cell phones and blackberries	7810-110-45-05-200	16,800	16,800	-	13,984	2,816	83%
Inspector General	7810-038-45-05-200	1,000	1,200	-	1,188	12	99%
BoG--Chairman	7810-039-45-05-200	600	242	-	242	(0)	100%
Logistics 1-800 Number to NHQ @ approx. \$75/month	7814-095-45-05-200	1,000	899	-	899	-	100%
Operations (38 Satellite phones @ \$90/mo; 1 phone @ \$60/mo)	7810-090-10-05-200	41,400	40,326	4,940	35,366	20	100%
<b>Wing Financial Analysts</b>							
WFA - C.Treadwell	7810-140-45-05-200	2,900	494	-	494	-	100%
WFA - R. Vest	7810-141-45-05-200	2,900	2,338	-	2,338	0	100%
WFA - M. Mann	7810-143-45-05-200	2,900	2,224	-	2,058	166	93%
WFA - M. Mayhugh	7810-145-45-05-200	2,900	2,432	-	2,433	(0)	100%
WFA - M. Sims	7810-147-45-05-200	2,900	370	-	370	-	100%
WFA - C. Joy	7810-148-45-05-200	2,900	805	-	805	-	100%
WFA - D. Lowtharp	7810-144-45-05-200	-	-	-	-	-	-
SFA - S. Freeburg	7810-149-45-05-200	2,900	1,881	-	1,881	-	100%
AE Program Manager- MER	7810-122-30-05-200	600	752	-	666	86	89%
AE Program Manager- RMR	7810-132-30-05-200	300	20	-	20	-	100%
<b>Sub Total</b>		<b>82,000</b>	<b>70,784</b>	<b>4,940</b>	<b>62,744</b>	<b>3,100</b>	<b>96%</b>
<b>POSTAGE</b>							
Headquarters--mailroom, overnight delivery							
	7910-110-45-05-200	20,000	12,060	-	12,060	-	100%
<b>Wing Financial Analysts</b>							
WFA - C.Treadwell	7910-140-45-05-200	100	200	-	200	-	100%
WFA - R. Vest	7910-141-45-05-200	100	147	-	147	-	100%
WFA - M. Mann	7910-143-45-05-200	100	24	-	24	0	98%
WFA - M. Mayhugh	7910-145-45-05-200	100	236	-	236	(0)	100%
WFA - M. Sims	7910-147-45-05-200	100	88	-	88	-	100%
WFA - C. Joy	7910-148-45-05-200	100	98	-	98	-	100%
SFA - S. Freeburg	7910-149-45-05-200	100	176	-	176	(0)	100%
AE Program Manager- MER	7910-122-30-05-200	500	94	-	94	0	100%
AE Program Manager- RMR	7910-132-30-05-200	1,000	152	-	152	-	100%
<b>Sub Total</b>		<b>22,200</b>	<b>13,274</b>	<b>-</b>	<b>13,274</b>	<b>0</b>	<b>100%</b>

		FY05 Original Budget	FY05 Budget 30-Sep-05	FY05 Obligated	FY05 Actual	FY05 Balance	% Spent
<b>VEHICLE MAINTENANCE</b>							
Headquarters-- maintenance on 11 HQ vehicles	8108-110-45-05-200	22,000	19,640	-	19,561	79	100%
<b>Wing Financial Analysts -</b>							
WFA - C.Treadwell	8108-140-45-05-200	1,200	512	-	512	-	100%
WFA - R. Vest	8108-141-45-05-200	1,200	471	-	471	0	100%
WFA - M. Mann	8108-143-45-05-200	1,200	53	-	51	2	96%
WFA - M. Mayhugh	8108-145-45-05-200	1,200	520	-	495	26	95%
WFA - M. Sims	8108-147-45-05-200	1,200	317	-	317	-	100%
<b>Sub Total</b>		<b>28,000</b>	<b>21,513</b>	<b>-</b>	<b>21,406</b>	<b>107</b>	<b>100%</b>
<b>PROFESSIONAL SERVICES</b>							
Financial Management -- Audit Services	7525-070-45-05-200	250,000	274,454	6,424	268,030	-	100%
Aerospace Education - Printing brochures	7542-045-30-05-200	23,000	9,623	-	9,623	0	100%
General Counsel--Employment attorney retainer, attorney fees	7535-050-45-05-200	1,800	742	-	742	-	100%
Chaplain Services - Printing of quarterly publication	7542-052-38-05-200	2,900	-	-	-	-	-
Human Resources -- Drug screening, driver records, Employee Savings Trust ( Drug screening, driver records, Employee Savings Trust, 401k Audit)	7542-055-45-05-200	16,500	14,137	-	14,137	-	100%
Mission Resources - Temp Hire	7542-085-45-05-200		4,800	-	4,721	79	98%
GPS Data Updates	7542-090-10-05-200		2,000	-	1,392	608	70%
Plans & Programs - Audio Visual Services	7542-060-45-05-200		21,641	-	21,641	-	100%
Cadet Programs - Outsource Printing	7542-065-35-05-200		1,104	-	1,103	1	100%
Public Affairs - Freelance	7542-075-65-05-200		12,277	2,725	5,737	3,815	69%
<b>Sub Total</b>		<b>294,200</b>	<b>340,778</b>	<b>9,149</b>	<b>327,127</b>	<b>4,503</b>	<b>99%</b>
<b>PROFESSIONAL DEVELOPMENT</b>							
Executive Director	8822-040-45-05-200	900	699	-	699	-	100%
Aerospace Education - Continuing Education	8822-045-30-05-200	5,000	2,548	-	2,548	0	100%
General Counsel--Continuing Education	8822-050-45-05-200	2,800	1,694	-	1,694	-	100%
Chaplain Services--Continuing Education	8822-052-38-05-200	1,200	455	-	455	-	100%
Human Resources - Continuing Education	8822-055-45-05-200	5,900	5,032	-	5,032	(0)	100%
Plans & Programs-- Continuing Ed Cooperative Agreement	8822-060-45-05-200	2,900	2,138	-	2,138	-	100%
Financial Management--Continuing Education Cooperative Agreement Management	8822-070-45-05-200	12,500	19,914	-	19,914	-	100%
Public Affairs -- Continuing Education	8822-075-65-05-200	3,000	1,548	-	1,005	542	65%
Information Technology--Continuing Education and Certification	8822-080-45-05-200	3,600	-	-	-	-	-
LG - Continuing Education	8822-095-45-05-200	-	296	-	296	-	100%
<b>Sub Total</b>		<b>37,800</b>	<b>34,323</b>	<b>-</b>	<b>33,781</b>	<b>542</b>	<b>98%</b>

		FY05 Original Budget	FY05 Budget 30-Sep-05	FY05 Obligated	FY05 Actual	FY05 Balance	% Spent
<b>DUES AND PUBLICATIONS</b>							
Executive Director	8823-040-45-05-200	700	1,011	-	1,011	-	100%
Aerospace Education	8823 -045-30-05-200	4,000	2,775	-	2,775	0	100%
General Counsel -- Included WestLaw on-line legal research service	8823-050-45-05-200	7,000	7,072	-	7,057	15	100%
Chaplain Services	8823 -052-38-05-200	300	185	-	185	-	100%
Human Resources	8823-055-45-05-200	3,400	1,825	-	1,825	-	100%
Membership Services	8823-057-40-05-200	500	490	-	245	245	50%
Financial Management	8823 -070-45-05-200	2,700	3,738	-	3,617	121	97%
Information Technology (New category in FY05)	8823 -080-45-05-200	300	149	-	147	2	99%
Logistics (New category in FY05)	8823 -095-45-05-200	3,300	2,438	-	1,889	549	77%
<b>Sub Total</b>		<b>22,200</b>	<b>19,682</b>	<b>-</b>	<b>18,751</b>	<b>931</b>	<b>95%</b>
<b>EQUIPMENT PURCHASES</b>							
Information Technology - Network Upgrade & PC Replacement	7735-080-45-05-200	166,500	162,095	-	162,095	-	100%
<b>SubTotal</b>		<b>166,500</b>	<b>162,095</b>	<b>-</b>	<b>162,095</b>	<b>-</b>	<b>100%</b>
<b>EQUIPMENT / SOFTWARE MAINTENANCE</b>							
HQ--Mx agreements-copiers, fax machines, copy count charges	8112-110-45-05-200	110,000	55,027	-	42,842	12,185	78%
FM - Software Upgrade	8115-070-45-05-200	8,000	89,320	-	89,321	(0)	100%
IT --Licenses and software maintenance & upgrades	8115-080-45-05-200	130,100	109,330	-	109,330	-	100%
Operations - Life raft certification	8112-090-10-05-200	15,000	5,911	1,091	4,820	-	100%
LG Mission Resources Print Plant -- ( Mx contracts & equipment mx not under contract)	8112-088-45-05-200	38,200	26,789	-	26,175	614	98%
<b>SubTotal</b>		<b>301,300</b>	<b>286,377</b>	<b>1,091</b>	<b>272,488</b>	<b>12,799</b>	<b>96%</b>
<b>CADET PROGRAMS</b>							
IACE--Travel expenses for youth & escort exchange with 16 countries	8315-065-35-05-200	165,000	138,767	-	138,767	(0)	100%
UNIFORMS--New Air Force style uniform for new cadets @ \$100 each	7705-065-35-05-200	663,000	519,494	-	519,494	-	100%
<b>Sub Total</b>		<b>828,000</b>	<b>658,261</b>	<b>-</b>	<b>658,261</b>	<b>(0)</b>	<b>100%</b>



		FY05 Original Budget	FY05 Budget 30-Sep-05	FY05 Obligated	FY05 Actual	FY05 Balance	% Spent
<b>AIR FORCE MISSIONS</b>							
Actual - 8,373 hrs @ \$66.16/hr --Fuel & minor maintenance for tasked missions (1,134 hrs unfunded)		<b>554,000</b>	<b>470,000</b>	-	<b>440,759</b>	<b>29,241</b>	<b>94%</b>
Minor Maintenance	7620-000-10-05-200	257,000	184,908	-	184,908	-	100%
Aircraft Fuel	7622-000-10-05-200	257,000	214,624	-	192,715	21,909	90%
Vehicle Fuel	7623-000-10-05-200	25,000	48,750	-	41,418	7,332	85%
Lodging / Per Diem (NOC authorized)	7625-000-10-05-200	3,000	3,028	-	3,028	-	100%
Communications/Other	7628-000-10-05-200	12,000	18,690	-	18,690	-	100%
<b>Training</b>							
Training - 24,773 hrs @ \$66.16/hr -Fuel & minor maintenance for mission training		<b>1,636,700</b>	<b>1,699,491</b>	<b>17,211</b>	<b>1,374,345</b>	<b>307,935</b>	<b>82%</b>
Minor Maintenance	7650-000-10-05-200	735,000	654,996	-	546,485	108,511	83%
Aircraft Fuel	7652-000-10-05-200	720,000	604,095	-	566,242	37,853	94%
Vehicle Fuel	7653-000-10-05-200	65,000	191,239	-	92,411	98,828	48%
Lodging / Per Diem	7655-000-10-05-200	2,700	1,193	-	1,193	0	100%
Communications/Other	7658-000-10-05-200	5,000	54,577	-	4,813	49,764	9%
<b>Training Support</b>							
Training ATG	7675-090-10-05-200	5,000	4,741	-	4,741	-	100%
Training Supplies	7719-090-10-05-200	3,000	23,708	17,211	6,491	6	100%
Training Activities - Travel (Travel authorization required)	8322-090-10-05-200	50,000	8,332	-	8,332	-	100%
Training - NESA	8435-000-10-05-200	21,000	21,000	-	17,548	3,452	84%
Training - Pilot Continuation Training Program	8470-000-10-05-200	30,000	26,000	-	23,749	2,251	91%
Training - Archer Travel	8322-090-26-05-200		26,000	-	23,165	2,835	89%
Training - GA-8 IP Travel	8322-090-27-05-200		23,500	-	19,065	4,435	81%
Training - C-182 Glass Cockpit IP Travel	8322-090-28-05-200		60,110	-	60,110	-	100%
<b>Designated Air Force Missions</b>							
AFROTC	7682-000-12-05-200	150,012	190,000	-	162,795	27,205	86%
Falcon Virgo Mission	7620-000-11-05-200		18,000	-	12,382	5,618	69%
Hyperspectral Data Collection	8312-090-21-05-200		5,000	-	2,702	2,298	54%
Red Flag Joint Rover Mission	7620-000-24-05-200		21,930	-	20,939	991	95%
Altus Low Level Route Missions	7620-000-29-05-200		3,458	-	3,457	1	100%
NY 174th Low Level Route Missions	7620-000-83-05-200		1,704	-	1,187	517	70%
Long Range Radar Test	7620-000-84-05-200		2,540	-	1,855	685	73%
Shaw Low Level Route Missions	7620-000-85-05-200		904	-	404	500	45%
20th FW Low/Slow Missions #1	7620-000-86-05-200		1,000	-	-	1,000	0%
20th FW Low/Slow Missions #2	7620-000-87-05-200		-	-	-	-	
Hurlbert Field Low Level Route Missions	7620-000-88-05-200		4,080	-	3,635	445	89%
Luke AFB Low Level Route Missions	7620-000-89-05-200		720	-	-	720	0%
Hurricane Katrina Missions	7620-000-91-05-200		80,925	-	24,033	56,892	30%
AF Mission Travel--HQ staff & field mission support (Travel auth. required)	8314-090-10-05-200	14,800	24,863	-	24,863	(0)	100%
<b>Orientation Flights - 10,000 hrs @ \$60/hr (6,000 hrs unfunded)</b>							
Minor Maintenance	8466-000-35-05-200	360,000	320,041	-	243,574	76,467	76%
Aircraft Fuel	8468-000-35-05-200	240,000	247,959	-	237,419	10,540	96%
<b>Homeland Security</b>							
Minor Maintenance	7670-000-20-05-200		50,000	-	45,687	4,313	91%
Aircraft Fuel	7672-000-20-05-200		23,600	-	21,625	1,975	92%
Vehicle Fuel	7673-000-20-05-200		20,517	-	20,517	-	100%
Other	7674-000-20-05-200		900	-	502	398	56%
			4,983	-	3,043	1,940	61%
<b>Sub Total</b>		<b>2,955,512</b>	<b>3,142,614</b>	<b>17,211</b>	<b>2,600,037</b>	<b>525,367</b>	<b>83%</b>

		FY05 Original Budget	FY05 Budget 30-Sep-05	FY05 Obligated	FY05 Actual	FY05 Balance	% Spent
<b>COUNTERDRUG ( 8483 hours @ \$80.86/hour)</b>		<b>\$685,900</b>	<b>\$723,488</b>		<b>\$612,250</b>	<b>111,238</b>	<b>85%</b>
Minor Maintenance --	7601-000-15-05-200	369,700	327,223	-	256,507	70,716	78%
Mission Aircraft Fuel @ \$26.66/hr	7602-000-15-05-200	289,600	305,074	-	264,552	40,522	87%
Mission Vehicle Fuel --	7603-000-15-05-200	3,800	7,825	-	7,825	-	100%
Mission Lodging/Per Diem --	7605-000-15-05-200	19,000	77,447	-	77,447	-	100%
Mission Communications --	7608-000-15-05-200	3,800	5,919	-	5,919	-	100%
Administrative Fee --							
Aircraft Major Maintenance --	8105-000-15-05-200		-	-	-	-	
(10,039 hrs @ \$26.66/hr) (Budget in Aircraft Maintenance Account)							
Office Supplies -- Necessary for CD program	7710-090-15-05-200	3,000	423	-	423	-	100%
Travel - HQ personnel	8312-090-15-05-200	15,000	4,083	-	4,083	0	100%
Travel - Subject matter experts required for conferences & training sessions	8324- 090-15-05-200	10,000	7,127	-	7,127	-	100%
Telephone - Two sprint mobile internet access cards & 2 cell phones	7810-090-15-05-200	3,000	-	-	-	-	
Postage -	7910-090-15-05-200	1,000	-	-	-	-	
CDD / CDDA Region Directors & Assistants admin costs to manage programs							
CDD Telephone	7810-165-15-05-200	6,000	6,000	-	3,855	2,145	64%
CDD Postage	7910-165-15-05-200	2,000	1,984	-	661	1,323	33%
CDD Supplies / Admin	7710-165-15-05-200	3,000	1,016	-	1,016	-	100%
CDD Field Travel --Effectively manage region programs.	8312-165-15-05-200	25,000	702	-	702	-	100%
<b>Sub Total</b>		<b>\$753,900</b>	<b>\$744,823</b>	<b>\$0</b>	<b>\$630,117</b>	<b>\$114,706</b>	<b>85%</b>

		FY05 Original Budget	FY05 Budget 30-Sep-05	FY05 Obligated	FY05 Actual	FY05 Balance	% Spent
<b>** AIRCRAFT MAINTENANCE--Major items like engines, avionics, airframe @ \$26.66/h</b>	<b>8105-000-22-05-200</b>	2,462,100	2,703,500	242,487	2,433,620	27,393	99%
(Initial budget = 92,355 hrs @ \$26.66/hour = \$1,280,600 A/C Mx - 48,036 hrs = \$ 913,900 AF Mission Maj Mx - 34,280 hrs = \$ 267,600 CD A/C Mx - 10,039 hrs							
<b>MINOR MAINTENANCE TEST PROGRAM/GA-8 MX</b>	<b>8105-110-42-05-200</b>	-	82,000	-	97,478	(15,478)	119%
(Should receive funds from Wings to cover over expenditure)							
<b>VEHICLE MAINTENANCE--Safety items maintenance for 950 field vehicles</b>	<b>8108-000-23-05-200</b>	290,000	331,929	11,802	319,515	612	100%
<b>INTEGRATED MANAGEMENT SYSTEM--Contract out-source software development,</b>	7550-080-45-05-200	450,700	330,218	31,825	298,393	0	100%
<b>IMS TRAINING TRAVEL</b>	8326-080-45-05-200	10,000	2,785	-	2,785	-	100%
<b>NHQ CONNECTIVITY - Local connectivity - T-1</b>	8120-080-45-05-200	15,000	16,041	1,250	14,791	-	100%
<b>UNIT CONNECTIVITY--For field units 300 computers and 1650 ISPs</b>	7815-080-45-05-200	815,500	854,813	392,255	462,558	(0)	100%
<b>FINGERPRINTING--Members background screening paid to FBI</b>	7545-057-40-05-200	120,000	112,628	10,250	102,378	-	100%
<b>AIRCRAFT FUEL--Flight proficiency for designated staff pilots, effects 6 staff</b>	8130-090-10-05-200	15,100	8,194	-	8,194	(0)	100%
<b>LEASED STORAGE UNIT--Aerospace textbook storage</b>	8010-045-30-05-200	5,800	5,620	-	5,620	(0)	100%
<b>EQUIPMENT LEASE- Print Plant--Print On Demand equipment</b>	8110-088-45-05-200	57,000	56,604	-	56,604	-	100%
<b>ANNUAL REPORT--Congressional requirement printing</b>	8235-075-65-05-200	12,000	10,374	-	10,374	(0)	100%
<b>INSURANCE--Supplements liability, employment policies</b>	8710-050-45-05-200	1,520,000	1,561,557	-	1,561,557	-	100%
<b>ADVERTISEMENTS--Employment announcements in newspaper &amp; magazines</b>	9242-055-45-05-200	8,800	14,397	-	14,199	197	99%
<b>CABLE TV--HQ news, weather, and information source</b>	7820-110-45-05-200	900	900	-	701	199	78%
<b>STATE DIRECTOR LEASES - Leased office space</b>	8012-000-46-05-200	-	31,023	-	31,023	-	100%
<b>EOY - Holding account</b>	9302-000-00-05-200	-	34,039	-	-	34,039	0%
<b>Sub Total</b>		<b>5,782,900</b>	<b>6,156,622</b>	<b>689,869</b>	<b>5,419,791</b>	<b>46,961</b>	<b>99%</b>

		FY05 Original Budget	FY05 Budget 30-Sep-05	FY05 Obligated	FY05 Actual	FY05 Balance	% Spent
<b>COMMUNICATIONS</b>							
NATIONAL TECHNOLOGY CENTER - Field radio replacements, parts, mx							
-Office Supplies	7710-091-25-05-200	15,000	15,600	-	14,860	740	95%
-Comm Equipment Parts	7712-091-25-05-200	59,500	67,500	-	65,595	1,905	97%
-Facilities Support	8050-091-25-05-200	5,000	5,000	-	4,612	388	92%
-Shipping	7915-091-25-05-200	26,500	18,250	-	17,726	524	97%
-Vehicle Maintenance	8108-091-25-05-200	5,500	5,150	-	5,047	103	98%
-Travel	8312-091-25-05-200	8,500	6,500	-	6,420	80	99%
COMMUNICATIONS EQUIPMENT (Revised budget includes EOY funds)	7745-093-25-05-200	176,700	823,736	761,020	61,981	735	100%
<b>Sub Total</b>		<b>296,700</b>	<b>941,736</b>	<b>761,020</b>	<b>176,242</b>	<b>4,474</b>	<b>100%</b>
<b>EDUCATION MATERIALS - CADETS</b>							
FY05 - Provides education materials to new cadets (10,625 @ \$16 ea) (Senior materials provided from corporate budget.)							
-Supplies	7710-110-35-05-200	78,200	130,222	-	129,729	493	100%
-Shipping	7915-110-35-05-200	92,000	73,871	-	73,750	121	100%
<b>Sub Total</b>		<b>170,200</b>	<b>204,093</b>	<b>-</b>	<b>203,479</b>	<b>614</b>	<b>100%</b>
<b>DISTANCE LEARNING</b>							
Professional Services (Knowledge Base)	7542-065-32-05-200	16,000	16,000	-	16,000	-	100%
Equipment/Software Maintenance	8112-065-32-05-200	6,600	-	-	-	-	-
Travel	8312-065-32-05-200	5,900	2,100	-	1,051	1,049	50%
Professional Development	8822-065-32-05-200	2,800	1,000	-	-	1,000	0%
<b>Sub Total</b>		<b>31,300</b>	<b>19,100</b>	<b>-</b>	<b>17,051</b>	<b>2,049</b>	<b>89%</b>
<b>DDR PROGRAM PURCHASES</b>							
DDR INITIATIVES	7718-000-05-05-200	150,000	57,153	-	57,153	0	100%
SUPPLIES	7710-067-05-05-200	50,800	208,418	85,092	122,645	681	100%
TRAVEL	8312-067-05-05-200	30,000	47,257	-	46,141	1,115	98%
PROFESSIONAL SERVICES	7542-067-05-05-200	1,800	1,929	-	1,929	0	100%
<b>Sub Total</b>		<b>232,600</b>	<b>314,757</b>	<b>85,092</b>	<b>227,868</b>	<b>1,797</b>	<b>99%</b>
<b>GRAND TOTAL O&amp;M</b>		<b>22,088,012</b>	<b>23,038,003</b>	<b>2,031,884</b>	<b>20,196,618</b>	<b>809,501</b>	<b>96%</b>

		FY05 Original Budget	FY05 Budget 30-Sep-05	FY05 Obligated	FY05 Actual	FY05 Balance	% Spent
<b>PROCUREMENT</b>							
AIRCRAFT PROCUREMENT	7737-110-22-05-200	1,816,800	2,904,800	1,204,223	560,126	1,140,451	61%
COMMUNICATIONS PROCUREMENT	7746-110-25-05-200	1,500,000	1,500,000	-	-	1,500,000	0%
VEHICLE PROCUREMENT	7738-110-23-05-200	770,000	770,000	-	-	770,000	0%
<b>GRAND TOTAL PROCUREMENT</b>		<b>4,086,800</b>	<b>5,174,800</b>	<b>1,204,223</b>	<b>560,126</b>	<b>3,410,451</b>	<b>34%</b>
<b>TOTAL APPROPRIATIONS</b>		<b>26,174,812</b>	<b>28,212,803</b>	<b>3,236,107</b>	<b>20,756,744</b>	<b>4,219,952</b>	<b>85%</b>

# APPENDIX B

## CAP FY07 Appropriated Budget Recommendation

**FY07 APPROPRIATED FINANCIAL PLAN****Executive Summary: FY06 to FY07 Appropriated Budget Comparison**

The FY06 budget reflects a reduction of \$93k from the initial POM baseline plus \$107k OSD across-the-board reduction to the AF budget. The FY07 baseline includes Wing Administrator salaries and has a plus-up of \$442k for Noble Eagle missions.

**FY06**

	\$22,183,000	(Reflects \$93,000 AF baseline reduction)
Plus	<u>2,100,000</u>	(Wing Administrators)
Total	\$24,283,000	
Less	<u>107,000</u>	(Reduction - OSD cut to AF budget)
Total	\$24,176,000	

**FY07**

	\$24,968,000	(Baseline)
Plus-up	<u>442,000</u>	(Noble Eagle Missions)
Total	\$25,410,000	

Adds:	Training - National Staff College	\$50,000	(Requires CAP-USAF approval)
	Access to AF On-Line Learning Management System	\$24,800	
	Noble Eagle Missions	\$442,000	
Increases:	Satellite phone service from 54 to 100 phones (@ \$725/year)		
	Counterdrug Missions		+14%
Decreases:	Wing Financial Analyst admin cost- staff to NHQ vs. home office		-61%

**FUNDING (O&M):**

AIR FORCE TARGET	\$24,968,000
Noble Eagle Missions	<u>\$442,000</u>
O&M Baseline does not include Drug Demand Reduction (DDR) funds	
<b>TOTAL O&amp;M FUNDING:</b>	<b>\$25,410,000</b>

Account Description	Budget	Budget	Budget	Budget	% Change 06 to 07	FY07 Unfunded
	\$ 21,951,750	\$ 22,256,720	\$ 24,176,000	\$ 25,410,000		
	FY05 Budget (23 Sep 05)	FY05 Actual (21 Oct 05)	FY06 Budget (1 Oct 05)	FY07 Financial Plan		
<b>SALARIES AND BENEFITS</b>						
Headquarters - FY07 = 128 positions (excluding DDR)	8,744,016	8,524,141	9,060,000	9,357,912	3%	
Headquarters - Salary allocation to Corporate			(50,000)	(30,000)	-40%	
Wing Administrators	40,000	35,844	2,100,000	2,094,000	0%	
Payroll Processing Fee	26,000	27,997	26,000	28,000	8%	
<b>Sub Total</b>	<b>\$ 8,810,016</b>	<b>\$ 8,587,981</b>	<b>\$ 11,136,000</b>	<b>\$ 11,449,912</b>	3%	\$ -



	FY05 Budget (23 Sep 05)	FY05 Actual (21 Oct 05)	FY06 Budget (1 Oct 05)	FY07 Financial Plan	% Change 06 to 07	FY07 Unfunded
<b>TRAVEL</b>						
Travel expenses for official CAP program business						
Executive Director	9,934	10,123	28,500	18,000	-37%	
Safety		-		1,069	100%	
General Counsel	8,489	8,489	7,515	9,400	25%	
Inspector General	74,800	71,706	74,141	79,161	7%	
Plans & Programs	8,900	7,273	17,660	10,000	-43%	
Public Affairs	21,100	20,031	21,062	21,000	0%	
Public Awareness-	23,900	24,876	50,848	30,000	-41%	
Human Resources	3,200	2,856	2,175	2,500	15%	
Operations	28,000	26,803	26,646	27,318	3%	
Information Technology	3,283	1,783	4,000	2,500	-38%	
Logistics - FY07 Conduct 6 training sessions at wings & regions	19,900	17,368	14,000	20,000	43%	
Personnel & Membership Services --	1,500	1,400	2,500	2,500	0%	
Cadet & Senior Member Professional Development	35,000	35,000	29,300	35,000	19%	
Chaplain Services--	7,513	7,513	11,290	2,500	-78%	
Financial Management	30,500	30,376	25,000	25,080	0%	
Wing Financial Analysts - Staff field accounting assistants (FY06 = 6; FY07 = 6) (Increase in travel to manage squadron visits)	110,489	105,370	107,000	120,000	12%	
Aerospace Education & NHQ Aerospace Education Program Managers	31,500	33,236	30,000	30,000	0%	
Aerospace Education Field Program Managers - (FY07 = MER)	4,642	4,642	3,000	3,000	0%	
BoG Members--supports 7 board member's expenses for 2 BoG meetings	7,045	7,262	15,000	9,000	-40%	
NHQ BoG Meetings--6 staff member's expenses for 2 BoG meetings	12,538	12,538	11,000	13,000	18%	
National Board / Summer-- 50 staff for annual conference, effects 1100 attendees	50,000	56,364	50,000	55,000	10%	
National Board / Winter--18 staff for board business meeting, effects 120 attendees	18,558	18,558	20,880	21,000	1%	
NCASE--FY06 = 0 NCASE scheduled late Oct 06 (FY07), effects 900 attendees	-	-	-	20,000	100%	
NEC- FY06 = 2 Meetings/ yr - one located at Maxwell AFB, effects 80 attendees	17,886	17,886	6,500	16,000	146%	
Wing Conferences--FY07= 1 staff attendance at 33 conf @ \$750 ea., effects 5000	23,000	19,147	28,000	25,000	-11%	
Region Conferences-- 5 staff attendance at 6 conferences effects 1000 attendees	20,000	9,992	25,000	20,000	-20%	
<b>Sub Total</b>	<b>\$ 571,677</b>	<b>\$ 550,592</b>	<b>\$ 611,017</b>	<b>\$ 618,028</b>	<b>1%</b>	<b>\$ -</b>

	FY05 Budget (23 Sep 05)	FY05 Actual (21 Oct 05)	FY06 Budget (1 Oct 05)	FY07 Financial Plan	% Change 06 to 07	FY07 Unfunded
<b>SUPPLIES</b>						
Supplies necessary for CAP programs. HQ provides commonly used supplies & office equipment for NHQ. Directorate accounts are for program specific supplies.						
HQ - Commonly used supplies: toner, copy paper, replacement chairs, office equip.	88,000	86,239	87,000	92,000	6%	
General Counsel	300	258	1,000	1,000	0%	
Inspector General	1,000	871	1,000	1,000	0%	
Plans & Programs	1,255	1,255	1,000	1,200	20%	
Public Affairs - Paper for printing (FY05 Actual includes EOY purchases)	25,200	20,750	5,000	35,000	600%	
Human Resources	60	11	1,890	1,800	-5%	
Operations - (FY05 Actual includes EOY purchases)	362,102	424,168	1,500	2,000	33%	
Operations - Life support supplies (FY06 new category)	-	-	30,000	30,000	0%	
Information Technology -- Computer / network supplies for NHQ	30,000	33,553	27,020	28,000	4%	
Logistics	1,600	1,105	2,000	2,000	0%	
Print Plant--paper, ink, etc.	44,000	41,561	80,000	80,000	0%	
Personnel & Membership Services	1,900	2,019	2,000	2,000	0%	
Cadet & Senior Member Professional Development	1,396	1,333	2,000	2,000	0%	
Chaplain Services	1,400	907	1,000	1,000	0%	
Financial Management - (WFAs relocating to NHQ)	1,725	2,580	1,000	3,000	200%	
Wing Financial Analysts - Move from off-site to NHQ (FY06 = 6; FY07 = 2)	3,414	2,970	5,800	2,000	-66%	
Aerospace Education & NHQ Program Managers - Paper for printing	20,600	19,215	10,000	15,000	50%	
Aerospace Education Field Program Managers - (FY07 = MER)	274	274	200	100	-50%	
BoG Meeting Support--Meeting room rental, audio visual rental	5,500	5,653	7,000	5,000	-29%	
<b>Sub Total</b>	<b>\$ 589,726</b>	<b>\$ 644,722</b>	<b>\$ 266,410</b>	<b>\$ 304,100</b>	<b>14%</b>	<b>\$ -</b>

	FY05 Budget (23 Sep 05)	FY05 Actual (21 Oct 05)	FY06 Budget (1 Oct 05)	FY07 Financial Plan	% Change 06 to 07	FY07 Unfunded
<b>TELEPHONE</b>						
Official program support						
Headquarters - Cell phones and blackberries	16,800	13,984	13,600	16,000	18%	
Inspector General	1,500	1,188	2,000	1,200	-40%	
Operations (FY06 = 54 satellite phones @ \$750/yr + overage fees) (FY07 = 100 satellite phones @ \$725/yr + overage fees)	44,632	40,326	45,000	73,220	63%	
BoG--Chairman	242	242	-	500	100%	
Logistics 1-800 Number to NHQ, approximately \$75/mo	1,000	899	1,100	1,100	0%	
Wing Financial Analysts (Usage - FY06=4; FY07=3) Moving staff to NHQ	11,613	10,379	10,750	3,000	-72%	
Aerospace Education Field Program Managers - (FY07 = MER)	870	686	600	700	17%	
<b>Sub Total \$</b>	<b>\$ 76,657</b>	<b>\$ 67,704</b>	<b>\$ 73,050</b>	<b>\$ 95,720</b>	31%	<b>\$ -</b>
<b>POSTAGE</b>						
Headquarters--mailroom, overnight delivery	12,750	12,010	12,000	13,000	8%	
Wing Financial Analysts (FY06=3; FY07= 2)) Moving staff to NHQ	1,090	969	700	800	14%	
Aerospace Education Field Program Managers - (FY07 = MER)	252	246	200	100	-50%	
<b>Sub Total \$</b>	<b>\$ 14,092</b>	<b>\$ 13,225</b>	<b>\$ 12,900</b>	<b>\$ 13,900</b>	8%	<b>\$ -</b>
<b>VEHICLE MINOR MAINTENANCE</b>						
Headquarters-- HQ vehicles	19,700	19,561	14,000	20,000	43%	
Wing Financial Analysts (FY06 =2; FY07= 2) Moving staff to NHQ	3,032	1,846	3,000	2,000	-33%	
<b>Sub Total \$</b>	<b>\$ 22,732</b>	<b>\$ 21,407</b>	<b>\$ 17,000</b>	<b>\$ 22,000</b>	29%	<b>\$ -</b>

	FY05 Budget (23 Sep 05)	FY05 Actual (21 Oct 05)	FY06 Budget (1 Oct 05)	FY07 Financial Plan	% Change 06 to 07	FY07 Unfunded
<b>PROFESSIONAL SERVICES</b>						
Financial Management -- Audit Services	274,504	274,454	248,150	250,000	1%	
Aerospace Education - Out-source printing	9,400	9,623	23,000	20,000	-13%	20,000
General Counsel--Employment attorney retainer, attorney fees for active cases	892	742	1,850	1,850	0%	
Chaplain Services - Printing quarterly publication - in Print Plant budget	-	-	-	-	0%	
Human Resources -- Drug screening, driver records, Employee Savings Trust, 401k Audit	13,669	14,137	17,325	15,000	-13%	
Mission Resources -- Temporary Hire for Mail Room	4,800	4,721	3,000	4,800	60%	
GPS Database Updates (400 @ \$119 + 150 @ \$340) & Weather Services (73 @ \$540)	3,000	1,392	192,000	138,020	-28%	
Plans & Programs - (Audio Visual Services)	21,641	36,603	30,000	30,000	0%	
Cadet Programs - Out-sourced printing	1,103	1,103	-	-	0%	
Public Affairs - Freelance support (FY05 - New category)	12,500	8,462	-	30,000	100%	
<b>SubTotal \$</b>	<b>341,509</b>	<b>\$ 351,237</b>	<b>\$ 515,325</b>	<b>\$ 489,670</b>	<b>-5%</b>	<b>\$ 20,000</b>
<b>PROFESSIONAL DEVELOPMENT</b>						
Executive Director	699	699	700	700	0%	
General Counsel--Continuing education	1,694	1,694	-	1,000	100%	
Plans & Programs - Continuing education cooperative agreement management reduced	2,138	2,138	3,000	3,000	0%	
Public Affairs--Continuing education	2,922	1,005	3,000	3,000	0%	
Human Resources--Continuing education	3,664	5,032	6,061	5,000	-18%	
Aerospace Education - Continuing education -	2,548	2,548	3,000	2,300	-23%	
Operations (FY06 new category)	-	-	2,000	2,000	0%	
Information Technology--Continuing education and certification	-	-	3,300	3,000	-9%	
Financial Management--Continuing education cooperative agreement management	20,754	19,914	21,150	20,000	-5%	
Chaplain Services--Continuing education	500	455	1,100	500	-55%	
Logistics--FY07 - 4 Management Concepts Classes	296	296	-	4,600	100%	
Personnel & Membership Services - (FY07 - New category)	-	-	-	2,500	100%	
<b>Sub Total \$</b>	<b>35,215</b>	<b>\$ 33,781</b>	<b>\$ 43,311</b>	<b>\$ 47,600</b>	<b>10%</b>	<b>\$ -</b>
<b>DUES AND PUBLICATIONS</b>						
Executive Director	1,011	1,011	900	1,000	11%	
General Counsel - Included WestLaw on line legal research service	6,822	6,822	7,000	7,000	0%	
Human Resources	3,000	1,825	3,923	2,000	-49%	
Financial Management	3,700	3,617	2,700	3,700	37%	
Logistics	2,439	1,889	3,100	3,100	0%	
Information Technology	239	147	300	300	0%	
Aerospace Education	2,775	2,775	2,500	1,000	-60%	
Personnel & Membership Services	490	245	500	500	0%	
Chaplain Services	185	185	350	200	-43%	
<b>Sub Total \$</b>	<b>20,661</b>	<b>\$ 18,516</b>	<b>\$ 21,273</b>	<b>\$ 18,800</b>	<b>-12%</b>	<b>\$ -</b>

	FY05 Budget (23 Sep 05)	FY05 Actual (21 Oct 05)	FY06 Budget (1 Oct 05)	FY07 Financial Plan	% Change 06 to 07	FY07 Unfunded
<b>EQUIPMENT PURCHASES</b>						
Information Technology - Network equipment & PC replacement	166,500	162,095	93,500	95,000	2%	
	-		-	-		
<b>Sub Total</b>	<b>\$ 166,500</b>	<b>\$ 162,095</b>	<b>\$ 93,500</b>	<b>\$ 95,000</b>	2%	<b>\$ -</b>
<b>EQUIPMENT / SOFTWARE MAINTENANCE</b>						
Headquarters--Maintenance agreements for copiers, fax machines, copy count charges (includes copy count charges and overage charges)	62,343	62,343	85,000	75,000	-12%	
Information Technology--Licenses, software maintenance & upgrades	125,100	109,330	89,221	90,000	1%	
Operations - Life raft recertification	7,000	5,911	20,000	20,000	0%	
Financial Management - (FY05 includes Quicken for squadrons) (FY06 = upgrade QuickBooks for Wings) (FY07 Navision Software Upgrade)	89,130	89,321	15,000	35,000	133%	
Print Plant -- Mx contracts & mx of equipment not under contract	28,400	26,175	29,510	29,500	0%	
<b>SubTotal</b>	<b>\$ 311,973</b>	<b>\$ 293,080</b>	<b>\$ 238,731</b>	<b>\$ 249,500</b>	5%	<b>\$ -</b>
<b>CADET &amp; SENIOR MEMBER PROFESSIONAL DEVELOPMENT</b>						
IACE--Travel expenses for youth and escort exchange with 16 countries, effects 200	141,500	138,767	154,900	154,900	0%	
UNIFORMS--New Air Force style uniform for 12,000 new cadets	469,500	519,494	580,000	600,000	3%	
TRAINING - (Requires CAP-USAF approval)	-	-	-	-		
New Wing / Region Commanders Course			9,088	9,088		
National Staff College	-	-	-	50,000	100%	
<b>Sub Total</b>	<b>\$ 611,000</b>	<b>\$ 658,261</b>	<b>\$ 743,988</b>	<b>\$ 813,988</b>	9%	<b>\$ -</b>

	FY05 Budget (23 Sep 05)	FY05 Actual (21 Oct 05)	FY06 Budget (1 Oct 05)	FY07 Financial Plan	% Change 06 to 07	FY07 Unfunded
<b>AIR FORCE MISSIONS</b>						
<b>ACTUAL MISSIONS -</b>	<b>479,000</b>	<b>391,487</b>	<b>630,000</b>	<b>652,000</b>	<b>3%</b>	<b>-</b>
Actual - FY06 = 9,000 hrs @ \$70/hr; FY07 = 9,056 hrs @ \$72/hr						
	-	-	-	-		
Minor Maintenance	162,500	142,927	291,000	274,000	-6%	
Aircraft Fuel	213,000	149,410	291,000	274,000	-6%	
Vehicle Fuel	38,750	35,533	30,000	35,000	17%	
Lodging / Per Diem (NOC authorized)	1,000	2,346	4,000	3,000	-25%	
Communications / Other	13,750	16,260	14,000	16,000	14%	
Homeland Security Missions	50,000	45,011	-	50,000	100%	-
Actual - Operation Noble Eagle - FY07 = 6,139 hrs @ \$72/hr (Zero Balance Transfer from ACC)				442,000	100%	
<b>TRAINING MISSIONS -</b>						
Training - FY06= 23,500 hrs @ \$70/hr; FY07 = 23,264 hrs @ \$72/hr	<b>1,839,458</b>	<b>1,308,643</b>	<b>1,645,000</b>	<b>1,675,000</b>	<b>2%</b>	<b>-</b>
Minor Maintenance	676,901	514,699	700,000	751,000	7%	
Aircraft Fuel	613,632	520,942	668,000	752,000	13%	
Vehicle Fuel	194,790	88,226	85,000	85,000	0%	
Lodging / Per Diem (NOC authorized)	432	481	2,000	2,000	0%	
Communications / Other	56,184	4,311	5,000	5,000	0%	
Training ATG	4,741	4,741	8,000	8,000	0%	
Training Supplies	20,081	23,708	7,000	7,000	0%	
Training Activities - Travel (travel authorization required)	9,587	8,332	50,000	10,000	-80%	
Training Activities - ARCHER Travel	50,000	23,165	-	-	0%	
Training Activities - GA-8 IP Travel for new aircraft	92,000	19,016	-	-	0%	
Training Activities - C-182 Glass Cockpit IP Travel	60,110	60,110	65,000	-	-100%	
Training - NESA	21,000	19,147	25,000	25,000	0%	
Training - Pilot Proficiency Training Program	40,000	21,765	30,000	30,000	0%	
<b>OTHER -</b>						
AF MISSION TRAVEL -- HQ staff and field mission support (travel request required)	23,800	24,863	25,000	25,230	1%	
AIRCRAFT MINOR MAINTENANCE TEST PROGRAM -	83,000	97,478	-	-	0%	
MISSION SUPPORT FLYING - (FY07 Name change from Aircraft Fuel)	13,100	8,194	15,100	15,150	0%	
CADET O-FLIGHTS - (FY06 = 9,428 hrs @ \$70/hr) (FY07 = \$9,486 hrs @ \$72/hr)	568,000	454,224	660,000	683,000	3%	
Major Maintenance - Funds engines, avionics, airframe items						
AF Missions -- (FY06 = 32,500 hrs @ \$27/hr) (FY07 = 32,709 hrs @ \$28/hr)		-	877,500	915,852	4%	
B & C Missions -- (FY06 = 50,000 hrs @ \$27/hr) (FY07 = 49,893 hrs @ \$28/hr)		-	1,350,000	1,397,000	3%	
CD Missions -- (FY06 = 11,100 hrs @ \$27/hr) (FY07 = 13,000 hrs @ \$28/hr)			299,700	364,000	21%	
FY05 Budget & Actual - Combined to include A, B & C Missions, CD Missions & EOY purchases	2,697,100	2,685,114			0%	
<b>Aircraft Major Maintenance -- Aircraft Radio / Equipment Upgrades ( Unfunded)</b>	-	-	-	-		<b>625,000</b>
<b>Aircraft Accident / Incident Damage Repair - (Unfunded)</b>	-	-	-	-		<b>300,000</b>
<b>National Operations Center: Salary&amp; Benefits, Equipment, (Unfunded)</b>	-	-	-	-		<b>357,070</b>

Sub Total \$ 5,703,458 \$ 4,970,003 \$ 5,502,300 \$ 6,169,232 12% \$ 1,282,070

	FY05 Budget (23 Sep 05)	FY05 Actual (21 Oct 05)	FY06 Budget (1 Oct 05)	FY07 Financial Plan	% Change 06 to 07	FY07 Unfunded
<b>COUNTERDRUG</b>						
Counterdrug Missions - FY06 = 11,100 @ \$74.27 hr FY07 = 13,000 hrs @ \$72/hr (4,000 hrs of CD Training + Actual)	707,648	568,145	824,397	936,000	14%	-
Minor Maintenance	343,851	241,193	443,500	390,000	-12%	
Mission Aircraft Fuel	297,874	249,027	346,342	450,000	30%	
Mission Vehicle Fuel -	5,800	6,734	3,000	12,000	300%	
Mission Lodging/Per Diem	56,323	65,799	27,555	75,000	172%	
Communications / Other	3,800	5,392	4,000	9,000	125%	
Aircraft Major Maintenance -- Funds engines, avionics, airframe items (Included in Aircraft Major Maintenance)	-	-	-	-		
Supplies -- CD program	423	423	1,000	1,000	0%	
Travel - HQ personnel (FY06 - Consolidated into one travel account)	4,083	4,083	15,000	15,000	0%	
Travel - Subject matter experts required for conferences & training sessions -	7,127	7,127	-	-	0%	
Telephone -- HQ & NOC - Sprint mobile internet access cards	-	-	1,000	-	-100%	
Postage - HQ	-	-	-	-	0%	
CDD/CDDA Region Directors & Assistants admin costs in managing programs	9,000	4,793	7,000	8,000	14%	
CDD Field Travel --Effectively manage region programs.	702	702	20,000	10,000	-50%	
<b>Sub Total \$</b>	<b>728,983</b>	<b>\$ 585,273</b>	<b>\$ 868,397</b>	<b>\$ 970,000</b>	12%	<b>\$ -</b>



	FY05 Budget (23 Sep 05)	FY05 Actual (21 Oct 05)	FY06 Budget (1 Oct 05)	FY07 Financial Plan	% Change 06 to 07	FY07 Unfunded
<b>NATIONAL TECHNOLOGY CENTER</b> - Field radio replacements, parts maintenance						
Office Supplies	16,000	14,860	15,000	15,000	0%	
Comm Equipment Parts	67,500	65,595	75,000	77,000	3%	
Facilities Support	5,000	4,612	8,000	9,000	13%	
Shipping	17,500	17,726	35,000	35,000	0%	
Vehicle Maintenance	5,500	5,047	5,500	5,500	0%	
Travel	6,500	6,420	9,000	7,000	-22%	
COMM EQUIPMENT (FY05 Actual include EOY purchases)	339,060	823,001	169,173	160,110	-5%	
<b>Unfunded LMR Requirement to include Mission Critical &amp; Mission Essential</b> (MC = \$6,869,915; ME = \$4,172,120)						11,042,035
<b>Sub Total</b>	<b>\$ 457,060</b>	<b>\$ 937,261</b>	<b>\$ 316,673</b>	<b>\$ 308,610</b>	<b>-3%</b>	<b>\$ 11,042,035</b>
<b>EDUCATION MATERIALS - CADETS</b>						
Provides education materials to new cadets; Senior materials provided in corporate budget (FY06 = 11,875 cadets @ \$20 ea.) (FY07 = 11,039 cadets @ \$15.60)						
Supplies	125,707	129,729	106,875	124,200	16%	
Shipping - USPS vs. UPS	79,000	73,750	130,625	48,000	-63%	
<b>Sub Total</b>	<b>\$ 204,707</b>	<b>\$ 203,479</b>	<b>\$ 237,500</b>	<b>\$ 172,200</b>	<b>-27%</b>	<b>\$ -</b>
<b>DISTANCE LEARNING</b>						
Professional Services -Knowledge Base	16,000	16,000	16,000	18,000	13%	
Travel	2,100	1,051	3,100	4,100	32%	
Professional Development	-	-	2,800	2,800	0%	
Equipment / Software Maintenance	-	-	-	24,800	100%	
(FY07 = e-Learning Bandwidth (\$14,800) & e-Learning SME (\$10,000) - to support cooperative use of AFIADL Online Learning Management System)	-	-	-	-		
<b>Sub Total</b>	<b>\$ 18,100</b>	<b>\$ 17,051</b>	<b>\$ 21,900</b>	<b>\$ 49,700</b>	<b>127%</b>	<b>\$ -</b>

	FY05 Budget (23 Sep 05)	FY05 Actual (21 Oct 05)	FY06 Budget (1 Oct 05)	FY07 Financial Plan	% Change 06 to 07	FY07 Unfunded
VEHICLE MAJOR MAINTENANCE--Safety items maintenance for 980 field vehicles	330,000	330,193	275,000	275,000	0%	-
Vehicle Routine Mx -Unfunded-Manufactures' scheduled maintenance including oil changes (905 vehicles @ \$532 ea.)	-	-		-		481,460
INTEGRATED MANAGEMENT SYSTEM (IMS) --Contract/out-source software development	425,700	329,810	475,600	475,000	0%	
IMS TRAINING TRAVEL	2,785	2,785	-	-	0%	
NHQ CONNECTIVITY - Local connectivity - T-1 line (\$1,250/mo)	15,000	16,041	15,000	17,000	13%	
UNIT CONNECTIVITY-- Field computers (approx \$1,800 ea.) and ISPs (\$204/yr)	727,738	854,796	711,785	720,000	1%	
FINGERPRINTING--Members background screening paid to FBI	116,362	112,628	105,000	110,000	5%	
LEASED STORAGE UNITS--Aerospace textbook storage	5,620	5,620	-	-	0%	
EQUIPMENT LEASE- Print Plant--Print On Demand equipment	56,604	56,604	-	-	0%	
ANNUAL REPORT--Congressional requirement printing	10,374	10,374	10,000	10,000	0%	
INSURANCE--Supplements liability, employment policies	1,562,300	1,561,557	1,859,200	1,900,000	2%	
ADVERTISEMENTS--Employment announcements in newspaper and magazines (FY07 includes Wing Administrator ads)	14,301	14,199	4,240	14,000	230%	
CABLE TV--HQ news, weather and information source	900	701	900	1,040	16%	
Sub Total	3,267,684	3,295,308	3,456,725	\$3,522,040	2%	481,460
<b>TOTAL O&amp;M EXPENSES</b>	<b>\$ 21,951,750</b>	<b>\$ 21,410,976</b>	<b>\$ 24,176,000</b>	<b>\$ 25,410,000</b>	<b>5%</b>	<b>\$12,825,565</b>

FY 07 O&amp;M Baseline &amp; Plus-up \$25,410,000

FUNDED \$ 25,410,000

DIFFERENCE \$0

DDR PROGRAM	FY05 Budget (23 Sep 05)	FY05 Actual (21 Oct 05)	FY06 Budget	FY07 Budget Revised	% Change 06 to 07	FY07 Unfunded
Salary & Benefits - Chief, Asst Chief	107,000	106,028	103,500	106,600	3%	
DDR Initiatives - Program for Wings & Regions	100,000	56,329	145,000	185,000	22%	
Supplies -	165,700	207,737	141,200	100,400	-41%	
Travel & Registration Fees	75,500	46,141	60,300	58,000	-4%	
Professional Services - Maintaining DDR & School Program Websites	1,800	1,929	-	-		
	-	-		-		
<b>DDR TOTAL</b>	<b>\$ 450,000</b>	<b>\$ 418,164</b>	<b>\$ 450,000</b>	<b>\$ 450,000</b>	<b>0%</b>	<b>\$ -</b>

# APPENDIX C

## CAP Foundation Articles of Incorporation & Bylaws

### STATE OF ALABAMA

#### DOMESTIC NON-PROFIT CORPORATION ARTICLES OF INCORPORATION

#### CIVIL AIR PATROL FOUNDATION, INC.

The undersigned, all of whom are citizens of the United States, desiring to form a Non-Profit Corporation under the Non-Profit Corporation Law of Alabama, do hereby certify:

Article I     The name of the corporation:  
Civil Air Patrol Foundation, Inc.

Article II    The duration of the corporation is perpetual.

Article III   The corporation has been organized exclusively for charitable and educational purposes that support Civil Air Patrol (a Non-Profit corporation established under 36 U.S.C. 40301), including, for such purposes, the making of distributions to and the granting of scholarships to members of Civil Air Patrol.

Article IV    The corporation shall have no members.

Article V     The street address of the registered office is 105 South Hansell Street, Maxwell Air Force Base, Alabama 36112-6332 and the name of the registered agent at that office is Stanley H. Leibowitz, General Counsel, Civil Air Patrol.

Article VI    The names and addresses of the Initial Directors are:

Antonio J. Pineda, 1101 NW 114 Ave, Plantation, FL 33323  
Rex E. Glasgow, P.O. Box 11166, Cedar Rapids, IA 52410  
Richard L. Bowling, 2122 Island Home Blvd, Knoxville, TN 37920  
Paul M. Bergman, 511 Washington Street, Wabash IN 46992  
Frederick K. Weiss, 1 Larch Circle, Holland, PA 18966

Article VII   The name and address of the Incorporator is:

Civil Air Patrol  
(a Non-Profit corporation established under 36 U.S.C. 40301)  
105 South Hansell Street

- Article VIII No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its directors, officers or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article III hereof, provided that all directors and officers shall serve without compensation. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of the articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.
- Article IX Upon the dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations as said Court shall determine, which are organized and operated exclusively for such purposes.
- Article X The number of Directors shall be not less than five and the number of Directors may be increased or decreased from time to time by amendment of the bylaws, provided that a majority of Directors shall also be members of Civil Air Patrol or members of the Board of Governors of Civil Air Patrol.

IN WITNESS THEREOF, the undersigned incorporator executed these Articles of Incorporation on this the \_\_\_\_\_ day of \_\_\_\_\_, 2005.

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Civil Air Patrol, by  
Antonio J. Pineda  
National Commander

## **BYLAWS**

### **CIVIL AIR PATROL FOUNDATION, INC.**

#### Article 1. Name

The name of the Corporation shall be "Civil Air Patrol Foundation, Inc." (herein after "The Foundation").

#### Article 2. Purposes

The purposes of the Corporation shall be to promote and support Civil Air Patrol and its programs and missions; provide direct financial support to Civil Air Patrol and its programs, missions and operations; and provide scholarships to members of Civil Air Patrol, consistent with all applicable federal and state laws currently in existence and which may come into existence or be amended from time to time, and also consistent with The Foundation's Articles of Incorporation and these Bylaws.

#### Article 3. Office

The registered office of The Foundation shall be located at 105 South Hansell Street, Maxwell Air Force Base, Alabama 36112-6332, or other location as determined by the Board of Governors.

#### Article 4. Members

There shall be no members of The Foundation.

#### Article 5. Board of Directors

Section 1. Powers. All corporate powers shall be exercised by or under authority of, and the business and affairs of The Foundation shall be managed under the direction of a Board of Directors. Directors shall be natural persons but need not be residents of Alabama. The Directors of the corporation shall not, as such, be liable for obligations of The Foundation.

Section 2. Number, Tenure, and Qualifications. The Board of Directors of The Foundation shall consist of the four members of the Civil Air Patrol Board of Governors appointed by Civil Air Patrol (see 10 U.S.C. 9448) and Civil Air Patrol's National Finance Officer. The number of Directors may increase or decrease from time to time by amendment of the Bylaws, provided that a majority of Directors shall also be members of Civil Air Patrol or members of the Board of Governors of Civil Air Patrol and further provided that there shall be no fewer than five Directors. The four members of the Civil Air Patrol Board of Governors and Civil Air Patrol's National Finance Officer shall serve a term concurrent with their tenure in their respective Civil Air Patrol office. The term of office of any other Director shall be three years from the date of appointment.

Section 3. Chairman and Vice Chairman. The Chairman of the Board of Directors shall be the Civil Air Patrol's National Commander, and shall also be the president of The Foundation. The Vice Chairman of the Board of Directors shall be the Civil Air

Patrol's National Vice Commander and shall also be the vice president of The Foundation.

Section 4. Removal. The four members of the Civil Air Patrol Board of Governors and Civil Air Patrol's National Finance Officer may not be removed from the Board of Directors. Other Directors may be removed from the Board of Directors prior to the end of the term held by such Director by a two-thirds (2/3) vote of the Board of Directors. Such removal should be only for reasons that are contrary to the best interests of The Foundation.

Section 5. Vacancies. Vacancies in the Board of Directors due to a vacancy in the Civil Air Patrol Board of Governors or National Finance Officer shall be filled only by Civil Air Patrol's appointment to the vacancy in the Civil Air Patrol Board of Governors or National Finance Officer. Vacancies in any other Director position or by reason of an increase in the number of Directors may be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board of Directors,

Section 6. Committees. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more committees each of which shall consist of three or more Directors, which committees, to the extent provided in such resolution, in the Articles of Incorporation or in the Bylaws of The Foundation, shall have and exercise all the authority of the Board of Directors, except that no such committee shall have the authority of the Board of Directors in reference to amending, altering or repealing the Bylaws; electing, appointing or removing any member of any such committee or any Director or Officer of the corporation; amending the Articles of Incorporation, restating Articles of Incorporation, adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of The Foundation; authorizing the voluntary dissolution of The Foundation or revoking proceedings therefore; adopting a plan for the distribution of the assets of The Foundation; or amending, altering or repealing any action or resolution of the Board of Directors which by its terms provides that it shall not be amended, altered or repealed by such committee. Other committees not having and exercising the authority of the Board of Directors in the management of the corporation may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director of any responsibility imposed upon it or him/her by law.

#### Section 7. Meetings.

a. Regular Meetings. A regular meeting of the Board of Directors shall be held in conjunction with, and at the same place as the first meeting of Civil Air Patrol Board of Governors following the Civil Air Patrol's National Conference in each calendar year.

b. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the president or any two Directors, and shall be held at the principal office of The Foundation or at such other place as the Directors may determine. Any or all Directors may participate in a special meeting by, or conduct the

meeting through the use of, any means of communication by which all Directors participating may simultaneously hear each other during the meeting. A Director participating in a meeting by this means, except to protest on the record notice of such meeting, is deemed to be present in person at the meeting.

c. Committee Meetings. Meetings of committees of the Board of Directors may be called by or at the request of the chairman or any two committee members, and shall be held at the principal office of The Foundation or at such other place as the chairman may determine. Any or all committee members may participate in a committee meeting by, or conduct the meeting through the use of, any means of communication by which all committee members participating may simultaneously hear each other during the meeting. A committee member participating in a meeting by this means, except to protest on the record notice of such meeting, is deemed to be present in person at the meeting.

Section 8. Notice. Notice of any meeting shall be given at least fourteen calendar days before the time fixed for the meeting, by written notice delivered personally, mailed to each Director at his business address, or by fax or electronic mail to the fax number or electronic mail address on file with The Foundation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid, not less than three days prior to the commencement of the above-stated notice period. The notice shall state the purpose of the meeting and whether or not additional items of business may be transacted at the meeting. Any Director may waive notice of any meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 9. Quorum. A majority of the number of Directors fixed in these Bylaws shall constitute a quorum for the transaction of business. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law, the Articles of Incorporation or these Bylaws. If a quorum is present when the meeting is convened, the Directors present may continue to do business, taking action by a vote of a majority of a quorum as fixed above, until adjournment, notwithstanding the withdrawal of enough Directors to leave less than a quorum as fixed above, or the refusal of any Director present to vote. The quorum of any committee shall be a majority of the members of the committee.

Section 10. Action By Directors Without Meeting. Any action required by law, the Articles of Incorporation or the Bylaws to be taken at a meeting of the Directors of The Foundation or any action which may be taken at a meeting of the Directors or of a committee of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Directors or all of the members of the committee of Directors, as the case may be. Such consent shall have the same force and effect as a unanimous vote and may be stated as such in any articles or documents filed with either the probate judge or Secretary of State.



Section 11. Waiver of Notice. Whenever any notice is required to be given to any Director of The Foundation under the provisions of law or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 12. Proxies. Proxies shall not be allowed.

Section 13. Rules. Meetings of the Board of Directors shall be governed by the latest edition of *Robert's Rules of Order*.

## Article 6. Officers

Section 1. Officers. The Officers of the Corporation shall be a president, vice president, Secretary, Treasurer, and such other elected Officers a majority of the Board of Directors determines are necessary or prudent, from time to time. Each elected Officer shall be elected by the Board of Directors from among the Directors. No Director may simultaneously hold more than one officer position. The Officers of The Foundation shall not, as such, be liable for obligations of The Foundation.

### Section 2. Election and Term of Office.

a. The elected Officers of The Foundation shall be elected annually at the regular meeting of the Board of Directors. If the election is not held at such meeting, such election shall be held as soon as possible thereafter as is convenient. Each elected Officer shall hold office until his or her successor has been duly elected and qualified or until his or her death, resignation, or removal in the manner hereinafter provided. Elected Officers may be reelected by the Board of Directors to serve successive terms.

b. The election of all elected Officers shall be by ballot unless there is only one nominee for an office, in which case the election for such office may be held by voice vote. A majority vote shall be required to elect all Officers.

c. Elected Officers shall assume their respective duties immediately following the close of the meeting at which they are elected.

d. When a vacancy occurs in an elected Officer position, the Directors shall elect a replacement from among the members of the Board of Directors to serve until the next regularly scheduled election. The vote may take place by phone, facsimile or electronic mail, provided at least fourteen calendar days notice and the reason for such a vote is given to each Director. The Chairman, or in the Chairman's absence, the Vice Chairman, shall validate the results of the ballot. Such person filling an elected Officer vacancy under this Section shall hold his or her position until the next regular election of Officers.

e. Upon a majority vote of the Board of Directors, any elected Officer may be removed from the position that such person holds. Such removal should be only for reasons that are contrary to the best interests of The Foundation.

### Section 3. Powers and Duties of Officers.

#### a. The Chairman and President will:

(1) Convene meetings of the Board of Directors, ensuring proper call and/or notice in accordance with these Bylaws, as well as any applicable state or federal laws.

(2) Preside at all meetings of the Board of Directors.

(3) Maintain general supervision over all activities for coordinating and rendering efficient the work of The Foundation.

(4) Represent the Foundation at meetings and functions pertaining to the work of The Foundation or, in unable to do so, delegate the task to the Vice Chairman or to any other Director the Chairman believes is best suited to serve The Foundation's needs for such delegation.

(5) Appoint Directors to any standing and/or ad hoc committee, subject to approval of the Board of Directors.

(6) Report at the annual meeting of The Foundation's Board of Directors on the activities of The Foundation, as well as any recommendations for improvement or initiatives that will further the mission and purposes of The Foundation.

(7) Accept resignations from any elected Officer or any Director who is not a member of the Civil Air Patrol Board of Governors.

(8) Supervise permanent or part-time administrative staff, as applicable.

#### b. The Vice Chairman and Vice President will:

(1) Perform those duties delegated by the Chairman and President

(2) In the absence of or vacancy in the office of the Chairman and President, or the inability of the Chairman and President to serve, perform the duties of those offices.

#### c. The Secretary will:

(1) Perform those duties delegated by the Chairman and President

(2) Record the proceedings of meetings of The Foundation Board of Directors.

(3) Maintain a current roster of Directors and Officers, and permanent staff, including business and home addresses, telephone and facsimile numbers, and electronic mail addresses.

(4) Perform such other duties as are normally incidental to the office of Secretary.

d. The Treasurer will:

(1) Perform those duties delegated by the Chairman and President

(2) Be responsible for all records associated with funds belonging to The Foundation and the deposit of such funds into Foundation accounts, including but not limited to any banking, lending or investing institution authorized by the Board of Directors.

(3) Sign Foundation checks or monitor that responsibility if carried out by an authorized and properly designated alternate for the disbursement of funds in payment of Foundation obligations.

(4) Be responsible for the development of an annual Foundation budget and for the reporting of same to the Board of Directors for approval.

(5) Make a full report of all receipts, disbursements, and investments not less than once each year and file any reports that may be required by law with all appropriate federal, state or local agencies.

(6) Perform such other duties as are normally incidental to the office of Treasurer.

Section 4. Salaries. No Director or Officer shall receive monetary compensation for his/her services as a Director or Officer.

Section 5. Removal. Any Officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an Officer shall not of itself create contract rights.

#### Article 7. Administrative Staff

Salaried permanent or part-time staff may be employed as the programs and activities of The Foundation require and the Board of Directors deems necessary. The Board of Directors shall approve any positions required and their compensation. The Board of Directors may use the services of the Executive Director of Civil Air Patrol and any employees of Civil Air Patrol to perform any or all of the administrative functions of The Foundation, with or without compensating Civil Air Patrol for these services.

#### Article 8. Contracts, Loans, Checks, and Deposits

Section 1. Contracts. The Board of Directors may authorize any Officer or Officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of The Foundation, and such authority may be general or confined to specific business.

Section 2. Loans. No loans shall be contracted on behalf of The Foundation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Checks, Drafts, or Orders. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness shall be signed by such Officer or Officers, agent or agents of The Foundation and in such manner as from time to time shall be determined by resolution of the Board of Directors.

Section 4. Deposits. All funds of The Foundation not otherwise employed shall be deposited from time to time to the credit of The Foundation in such banks, trust companies, or other depositories as the Board of Directors shall select.

#### Article 9. Fiscal Year

The fiscal year of the Corporation shall be January 1 to December 31.

#### Article 10. Amendments

The Foundation's Articles of Incorporation and these Bylaws may be altered, amended, or repealed, and new Articles of Incorporation or Bylaws may be adopted by the Board of Directors at any regular or special meeting of the board by a 2/3 majority vote.

#### Article 11. Books and Records

The Foundation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors and committees having and exercising any of the authority of the Board of Directors, and shall keep at the principal office a record giving the names and addresses of the Directors and Officers. All books and records of The Foundation may be inspected by any Director or Officer, or his agent or attorney, for any proper purpose at any reasonable time.

#### Article 12. Dissolution or Sale of Assets

A two-thirds vote of the Directors shall be required to sell or mortgage assets of The Foundation not in the regular course of business or to dissolve The Foundation. Upon dissolution of The Foundation, any assets remaining after payment of or provision for its debts and liabilities shall, consistent with the purposes of the organization, be paid over to charitable organizations exempt under the provisions of Section 501(c)(3) of the U.S. Internal Revenue Code or corresponding provisions of subsequently enacted federal law. No part of the net assets or net earnings of The Foundation shall inure to the benefit of or be paid or distributed to an Officer, Director, employee, or donor of the organization.

### Article 13. Loans to Directors and Officers

No loans shall be made by a corporation to its Directors or Officers. Any Director or Officer who assents to or participates in the making of any such loan shall be liable to the corporation for the amount of such loan until the repayment thereof.

### Article 14. General Standards of Conduct

Section 1. A Director shall discharge his or her duties as a Member of the Board of Directors, including his or her duties as a member of a committee, in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the Director reasonably believes to be in the best interests of The Foundation. In discharging his or her duties, a Director is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

- a. One or more Officers or employees of The Foundation whom the Director reasonably believes to be reliable and competent in the matters presented;
- b. Legal counsel, public accountants or other persons as to matters the Member of the Board of Governors reasonably believes are within the person's professional or expert competence; or
- c. A committee of the Board of Directors of which the Director is not a member, as to matters within its jurisdiction, if the Director reasonably believes the committee merits confidence.

Section 2. A Director is not acting in good faith if the Director has knowledge concerning the matter in question that makes reliance otherwise permitted by this Article unwarranted.

Section 3. A Director is not liable to The Foundation, for any action taken or not taken as a Director, if the Director acted in compliance with this Section.

Section 4. A Director shall not be deemed to be a trustee with respect to The Foundation or with respect to any property held or administered by The Foundation, including without limit, property that may be subject to restrictions imposed by the donor or transferor of such property.

### Article 15. Conflict of Interest

Section 1. A conflict of interest transaction is a transaction with The Foundation in which a Director has a direct or indirect interest. A conflict of interest transaction is not voidable or the basis for imposing liability on the Director if the transaction was fair at the time it was entered into or is approved. A transaction in which a Director has a conflict of interest may be approved if the material facts of the transaction and the Director's interest were disclosed and the Board of Directors authorized, approved, or ratified the transaction. Transactions with Civil Air Patrol are not a conflict of interest.

Section 2. For purposes of this Article, a Director of The Foundation has an indirect interest in a transaction if (a) another entity in which the Director has a material interest or in which the Director is a general partner is a party to the transaction or (b) another entity of which the Director is a director, officer, or trustee is a party to the transaction. Membership in or employment by Civil Air Patrol, or being a member of the Civil Air Patrol Board of Governors does not give rise to an indirect interest for purposes of this Article.

Section 3. For purposes of Section 1 a conflict of interest transaction is authorized, approved, or ratified, if it receives the affirmative vote of a majority of the Directors who have no direct or indirect interest in the transaction, but a transaction may not be authorized, approved, or ratified under this Section by a single Director. If a majority of the Directors who have no direct or indirect interest in the transaction vote to authorize, approve, or ratify the transaction, a quorum is present for the purpose of taking action under this Section. The presence of, or a vote cast by, a Director with a direct or indirect interest in the transaction does not affect the validity of any action taken if the transaction is otherwise approved as provided in Section 1.

#### Article 16. Indemnification of Directors

##### Section 1. For purposes of this Article:

a. " Director" means an individual who is or was a Member of the Board of Directors, or an individual who, while a Member of the Board of Directors, is or was serving at The Foundation's request as a director, officer, partner, trustee, employee, or agent of another foreign or domestic business or nonprofit corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise. A Director is considered to be serving an employee benefit plan at The Foundation's request if the Director's duties to The Foundation also impose duties on, or otherwise involve services by, the Director to the plan or to participants in or beneficiaries of the plan. "Director" includes, unless the context requires otherwise, the estate or personal representative of a Director.

b. "Expenses" include counsel fees.

c. "Liability" means the obligation to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan), or reasonable expenses actually incurred with respect to a proceeding.

d. "Party" includes an individual who was, is or is threatened to be made a named defendant or respondent in a proceeding.

e. "Proceeding" means any threatened, pending, or completed action, suit or proceeding whether civil, criminal, administrative, or investigative and whether formal or informal.

Section 2. Except as provided in Section 4, The Foundation may indemnify an individual made a party to a proceeding because the individual is or was a Director against liability incurred in the proceeding if the individual:

a. Conducted himself or herself in good faith; and

b. Reasonably believed:

(1) In the case of conduct in his or her official capacity with The Foundation, that his or her conduct was in its best interests; and

(2) In all other cases, that his or her conduct was at least not opposed to its best interests; and

c. In the case of any criminal proceeding had no reasonable cause to believe his or her conduct was unlawful.

A Director's conduct with respect to an employee benefit plan for a purpose the Director reasonably believed to be in the interests of the participants in and beneficiaries of the plan is conduct that satisfies the requirements of Section.2.b.(2).

Section 3. The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the Director did not meet the standard of conduct described in this Section.

Section 4. The Foundation may not indemnify a Director under this Section:

a. In connection with a proceeding by or in the right of the corporation in which the Director was adjudged liable to The Foundation; or

b. In connection with any other proceeding charging improper personal benefit to the Director, whether or not involving action in his or her official capacity, in which the Director was adjudged liable on the basis that personal benefit was improperly received by the Director, or in connection with a transaction in which the Director failed to disclose a conflict of interest.

Section 5. Defense and/or indemnification permitted under this Section in connection with a proceeding by or in the right of The Foundation is limited to reasonable expenses incurred in connection with the proceeding.

Section 6. The Foundation shall indemnify a Director who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which he or she was a party because he or she is or was a Director against reasonable expenses actually incurred by the Director in connection with the proceeding.

Section 7. The Foundation may pay for or reimburse the reasonable expenses incurred by a Director who is a party to a proceeding in advance of final disposition of the proceeding if:

a. The Director furnishes The Foundation a written affirmation of his or her good faith belief that he or she has met the standard of conduct described in Section 3;

b. The Director furnishes The Foundation a written undertaking, executed personally or on his or her behalf, to repay the advance if it is ultimately determined that the he or she did not meet the standard of conduct; and

c. A determination is made that the facts then known to those making the determination would not preclude indemnification under this Article.

d. The undertaking required by Section 7.b. must be an unlimited general obligation of the Director but need not be secured and may be accepted without reference to financial ability to make repayment.

e. Determinations and authorizations of payments under this Article shall be made in the manner specified in Section.8.

Section 8. The Foundation may not indemnify a Director unless authorized in the specific case after a determination has been made that indemnification of the Director is permissible in the circumstances because the Director has met the standard of conduct set forth in Section 2.

a. The determination shall be made:

(1) By the Board of Directors by majority vote of a quorum consisting of Members of the Board of Directors not at the time parties to the proceeding;

(2) If a quorum cannot be obtained under Section 8.a.(1), by majority vote of a committee duly designated by the Board of Directors (in which designation Directors who are parties may participate), consisting solely of two or more Directors not at the time parties to the proceeding;

(3) By special legal counsel:

(a) Selected by the Board of Directors or its committee in the manner prescribed in Section 8.a. (1) or (2); or

(b) If a quorum of the Board of Directors cannot be obtained under Section 8.a. (1) and a committee cannot be designated under Section.8.a. (2), selected by majority vote of the full Board of Directors (in which selection Directors who are parties may participate)

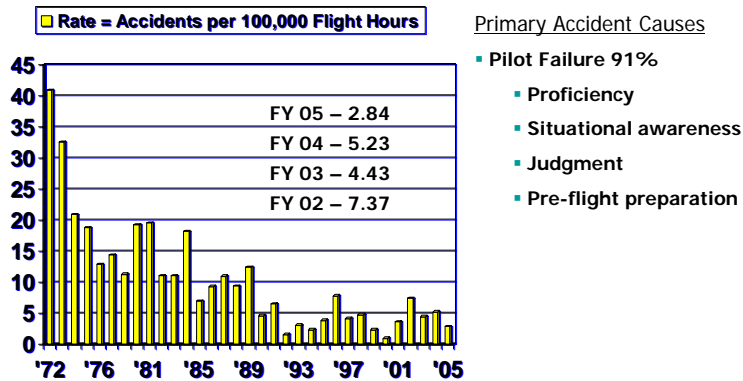
b. Authorization of indemnification and evaluation as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination is made by special legal counsel, authorization of indemnification and evaluation as to reasonableness of expenses shall be made by those entitled under Section 8.a.(3) to select counsel.



# APPENDIX D

## CAP National Commander's Update Slides

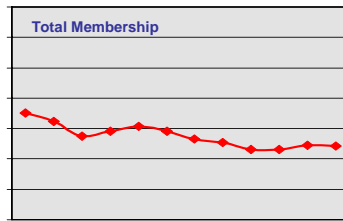
### CAP Aircraft Accident Rates



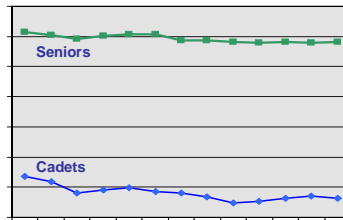
### Corrective Measures

- Created CAPR 60-11 Pilot Continuation Training
- *Seminars In A Box* to address CAPF 5 Trend Analysis
- Developing Standardized Aircraft Checklists
- All pilots assigned to new G1000-equipped Cessna aircraft receive FAA Industry Training Standards (FITS)

## Current Membership Snapshot



**56,874 Members**  
**33,634 Seniors**  
**23,240 Cadets**



	<u>Seniors</u>	<u>Cadets</u>	<u>Total</u>
Nov 04	34,271	24,743	59,014
Nov 05	33,634	23,240	56,874
	- 1.9%	- 6.1%	- 3.6%

## Hurricane Support 2005

- 900+ Air Sorties: transport, recon, imagery
- 1,700+ Flying Hours
- 100+ Ground Team sorties
- 4,200 homes visited, 8,500 citizen contacts
- After action hotwash scheduled for 16 December

## Public Safety Officers Benefit

- Legislative Day Agenda item for CAP
- Include CAP as beneficiary for existing PSOB Act
- Provides benefit if CAP member killed during AF mission
  - Currently \$ 283,000
- CAP sought support during the past 3 Congressional sessions
- Previously coordinated with SAF Legislative Liaison
- Recommend BoG endorsement and support

# APPENDIX E

## Executive Director's Update Slides

### FY05 Appropriated Budget

- End-of-Year Review  
96% executed as of 15 Nov 05  
21% less travel than initial projection  
Baseline increased \$229,750 for Wing Administrators  
EOY AF increased \$304,970 for LMRs
- End-of-Year Purchases approximately \$978,000

NOC upgrades	\$26k	Portable Repeaters <sup>(9)</sup>	\$158k
PA computers <sup>(2)</sup> & Software	\$16k	SDIS Units <sup>(12)</sup>	\$161k
Seimac Handhelds/kits	\$105k	LMR Radios <sup>(135)</sup>	\$251k
LMR Handhelds <sup>(120)</sup>	\$212k		
ISR Handhelds <sup>(600)</sup>	\$49k		

### FY05 Corporate Budget

- End-of-Year Review  
87% executed as of 31 Oct 2005  
Membership income 7% less than projected  
Membership dues increased \$5 per member on 1 Oct 04  
Cash reserve investment account established - \$97k  
Corporate sponsorship funds designated to NCC - \$55k  
Interest expense for line-of-credit - \$51k  
On-line registrations with credit cards - \$22k  
Glider orientation flights increased - \$45k

## CY06 COLA

- CY06 COLA 3.9%
  - 3.9% National CPI + .2% Regional Adjustment
  - Adopted by Finance Committee at Nov NEC
  - Able to execute within current personnel budget
- CY05 Health Care cost increased by 16%
  - Employees to bear 25% of cost
  - Able to execute within current employee benefit budget

## Appropriated Budget Comparison FY06 to FY07

- BUDGET: + 5% (FY06 = \$24,176,000; FY07 = \$25,410,000)
- Adds: Noble Eagle Mission Plus-up +\$442,000
- New Starts: Training – National Staff College +\$50,000  
Access to AF On-Line Learning Mgmt System +\$24,800
- Increases: Satellite phone service from 54 to 100 phones @ \$725/yr  
Counterdrug Missions +14%
- Decreases: Wing Financial Analyst admin cost down 61%;  
Staff moved to NHQ

## FY05, FY06 & FY07 Comparison Appropriated Budget

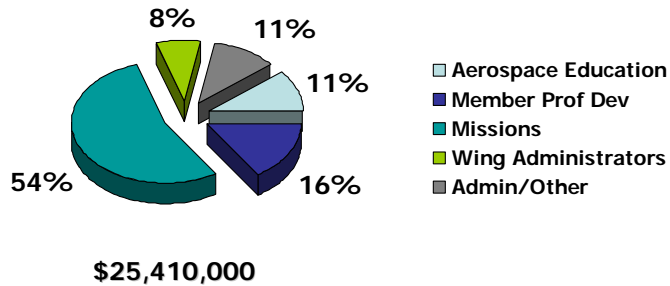
- O&M

	<u>FY05</u>	<u>FY06</u>	<u>FY07</u>
	<b>21,888,000</b>	<b>22,276,000</b>	<b>24,968,000</b>
-	110,000	- 93,000	+ 442,000
-	190,000	- 107,000	
+	134,000	+ 2,100,000	
+	229,750		
+	<u>304,970</u>		
	<b>22,256,720</b>	<b>24,176,000</b>	<b>25,410,000</b>

- **PROCUREMENT** (3 yr funds)

Aircraft	2,904,800	560,000	2,114,000
Vehicles	770,000	821,000	849,000
Comm	1,500,000		

## FY 07 Appropriated Financial Plan O & M



## Line of Credit

Borrowed	Repaid
<ul style="list-style-type: none"> <li>9/12/05: \$704,447 <ul style="list-style-type: none"> <li>Insurance premium FY 05 and FY06</li> </ul> </li> <li>10/31/05: \$796,000 <ul style="list-style-type: none"> <li>Insurance FY 06 (Delayed funding from DFAS)</li> </ul> </li> <li>10/31/05: \$267,000 <ul style="list-style-type: none"> <li>Short term Loan – Insurance FY 06 (Delayed funding from DFAS)</li> </ul> </li> <li>11/9/05: \$466,000 <ul style="list-style-type: none"> <li>Payroll &amp; Operating expenses (Delayed funding from DFAS)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>11 Nov 05: \$1,499,641</li> <li>11 Nov 05: \$267,000</li> </ul> <p>Outstanding Balance: \$466,000</p> <p>Interest to Date: \$12,656</p>

As of 11/21/05

## Investments

As of 30 Sep 05

	Market Value 10/1/04	Market Value 9/30/05
Unrestricted Funds	\$3,128,125	\$3,447,517
Donor Restricted Funds	\$167,976	\$161,794
<b>Totals</b>	<b>\$3,296,101</b>	<b>\$3,609,311</b>

Liquidations: None  
Deposits: \$97,479

# CAPMart

- Remaining issues
  - Sales tax
  - Inventory control
  - Financial software
- Recommended solution is to outsource
- Recommended vendor is Vanguard
  - Transition expected 1 Jan 06

## CAPMart Outsourcing

### **Recommended BoG Action**

Endorse outsourcing of CAPMart to  
Vanguard

# APPENDIX F

## Audit Committee Minutes

### CIVIL AIR PATROL BOARD OF GOVERNORS AUDIT COMMITTEE MEETING, 7 DECEMBER 2005

#### A. Old Business

- a. Approval of minutes from the June 2005 meeting

**MR. WHITMAN moved and LT GEN KEHOE, USAF (Ret) seconded** a motion to approve the minutes of the 8 June 2005 audit committee meeting.

#### **THE MOTION CARRIED UNANIMOUSLY**

#### B. 2004 Financial Audit

- a. Scope

MR. DANIELS briefed that this audit covered National Headquarters, CAP Mart and the continuation of the “national audit concept.” Currently they are auditing 52 units. There was clarification that there is consistency in the auditing process in the field primarily due to the assistance provided by the wing financial analysts who are trained to provide that consistency.

- b. Discussion of opinion and financial results

MR. DANIELS briefed that the Financial Statements include: (1) Independent Auditors’ Report, (2) Statement of Financial Position, (3) Statement of Activities, (4) Statement of Functional Expenses, (5) Statement of Cash Flows, and (6) Notes to Financial Statements.

- (1) The Independent Auditors’ Report continues as Qualified primarily because the financial statements do not include the accounts and financial transactions of units below wings. Hopefully that will improve in the future.
- (2) He noted that the current assets are comparable with the prior year. The large change in noncurrent assets is because of the different accounts for purchasing CAP equipment which can encompass three different fiscal years. The liabilities increase was due to accounts payable and the line of credit.
- (3) The statement of activities provided information about the change in net assets (unrestricted, temporarily restricted, permanently restricted);

revenues are reported as unrestricted unless they are restricted for a specific use by the donor or law; and the expenses are categorized as program or supporting and recorded as decreases in unrestricted net assets. Again he explained the difference in 2003 and 2004 was due to unconditional promises to fund Archer and aircraft.

- (4) Statement of Functional Expenses gives a lot of detail on the different program expenses based on functionally where they fall within specific line items of expenses (such as salaries, facility expense, aircraft maintenance, insurance, etc.
- (5) Statement of Cash Flow illustrates how cash was provided and used in the areas of operating activities, investing activities, and financing activities. There were some major asset acquisitions in 2004. The investing section of cash flow reflects what was paid for fixed assets, primarily aircraft. The financing section shows a short-fall versus what was paid out. A line of credit was used to offset that until the funding was received.
- (6) Notes are an integral part of these financial statements and provide a great deal of detail.

#### c. Management letter

MR. DANIELS commented that the management letter is the process of reporting to management and management responding to the auditors' comments. Most of the material weaknesses or reportable conditions have been corrected for 2003. He noted that the new credit card policy implemented in 2004 is working well. He briefed that for the 2005 audit they will audit 6 wing locations and since they will be doing 5 different audits they will be in 11 locations. They will audit payroll approval, credit cards, aircraft maintenance and accounts receivable in the wings. The payroll for wing administrators is being paid out of appropriated dollars so there is a tight process of approval in the field for their time sheets. The audit for credit cards is another critical area that National Headquarters has strengthened through the new regulation the requirements that if the wing has a credit card that they have a policy to have documentation to support that. The wing analysts are also checking this area. The auditors also suggested with aircraft maintenance that all of what is being spent at the field level, in what is considered small purchases, is less than \$25,000; however since most of this is aircraft maintenance and there still needed to be an element of reasonableness tied to the procurement. The only other area that probably needs some improvement is equipment inventory to ensure that when assets that were acquired with federal funds are disposed of that the action has CAP-USAFA approval. The auditors also requested documentation of the allocation of executive staff's time between corporate matters such as CAP Mart and what is paid for with appropriated money. There was one procurement file that could not be located but it was duplicated based on internal electronic documents so there was satisfaction that the purchase was correctly made under OMB standards.

#### d. Required communications

MR. DANIELS briefed the required communications that discusses the auditors' responsibilities under a CAP audit and under an OMB audit—single audit; discusses significant accounting policies; indicates that accounting estimates were evaluated and deemed reasonable; talks about audit adjustments—there were none; discusses that



there were no disagreements with National Headquarters; notes that there were no consultations with other independent accountants; discusses no requirement to discuss specific issues with auditors during the year; and indicates that no difficulties were encountered in performing the audit.

e. External auditor independence confirmation

MR. DANIELS briefed the requirement of the audit committee charter for the audit committee to review the auditors' independence. He stated they are independent and CAP is aware of other audits performed by the firm—the communications equipment management and permission systems audits.

**C. 2004 Single Audit**

a. Discussion of opinions.

MR. DANIELS stated there were 14 compliance requirements associated under OMB that the auditors were required to look at to see which ones apply to CAP. The auditors tested the compliance requirements that applied to CAP. There were two reports in this section. One deals with the financial audit and one with the compliance audit. Within that report is the schedule of federal expenditures that indicates the amount of federal funds that CAP received in fiscal year ending 30 Sep 04. There is also an area called illustrative schedule of findings and questioned costs. Section two is essentially the same as the management letter; Section three, findings, deals with the 14 compliance requirements. There is also a requirement to include a summary schedule of prior audit findings. Those would be the 2003 audit findings and management's response to where those are. There is also a corrective action plan for the 2004 findings. All of those were required portions of the single audit. The single audit is required to be filed by 30 June of each year, and is filed with a single audit clearing house. It is then sent to the respective oversight of the agency. He noted that this is the first time that the compliance portion of the Civil Air Patrol single audit has had an unqualified opinion. This is a significant improvement over prior years. Whether a qualified or unqualified opinion is issued it is based on materiality levels as well as documentation and control over the 14 compliance requirements. Those controls are tested and if there are findings that exceed those materiality levels then the report is qualified. There were no findings of that nature for CAP. Mr. Daniels added that a lot of procurement that caused this audit to be qualified in the past was procurement activity according to the depot and CAP had a lower threshold for small purchases than what was required in OMB, which has been raised to follow the circulars.

b. Discussion of findings and recommendations

MR. DANIELS stated that the illustrative schedule of findings and questioned costs appeared in section 3 of the audit report. They have already been discussed in the management letter.

MR. WHITMAN stated that he is very pleased to see the unqualified opinion and added that it is a tremendous compliment to all of Civil Air Patrol.

BRIG GEN BERGMAN added his appreciation to the volunteers and the Financial Management staff at National Headquarters.

## **D. CEMS (Communication Equipment Management System) Audit**

### **a. Scope**

MR. DANIELS briefed that this audit covered the inventory system developed by the NTC in Richmond to provide accountability over communications equipment. The auditors were requested to review the internal controls over the system with the ultimate result of it becoming a paperless activity.

### **b. Discussion of Opinion**

MR. DANIELS briefed that the auditors used criteria established by the Department of Defense Grants and Agreement Regulation (DoDGARS) to measure the system. The auditors took those requirements for equipment and mirrored those to see how the regulation responded to those requirements. The auditors found that the system was providing more controls than DoDGARS required. The auditors' opinion is that the system is suitably designed based on the criteria established in DoDGARS.

### **c. Management letter**

MR. DANIELS commented that in order to get to a paperless environment the recommendation was merely to get to a paperless process. The auditors did recommend a contingency plan as they did for the NOC and for National Headquarters simply because this process is handled at the NTC with a limited staff so the documentation should exist, absent those two individuals. In the equipment acquisition they recommended some segregation of duties because most of the CEMS equipment is shipped to the NTC prior to being shipped out to wing level. Equipment assignment, annual inventory, and equipment disposal primarily deal with strengthening controls within the system to achieve a paperless activity. He reported that the annual inventory is being done at the wing level; however, the auditors requested that CAP monitor that. Right now the CAP-USAF state directors review that on a sample basis. The recommendation is to ensure that the process is tied to the system instead of a paper process.

## **E. Permission System Audit**

### **a. Scope**

MR. DANIELS stated that an IT division of Wilson Price performed this audit. The ultimate goal was that the permission system would be the backbone of any type of electronic signatures. The criteria used for this testing were based on Microsoft Application Development Standards.

### **b. Discussion of opinion**

MR. DANIELS. He reported that the opinion says the system is suitably designed based on the criteria established by Microsoft Best Practice Application.

### **c. Management letter**

MR. DANIELS briefed that there were some comments. The ones listed under reportable conditions (network architecture, network monitoring, documentation of back-up procedures) are barely reportable conditions. They all deal with documentation. These comments are not necessarily something that is a process with information but primarily documentation that these exist. He stated a need for documentation back-up procedures and the audit will recommend that backup should be password protected, and there should be a written procedure in order to retrieve those back-ups and establish them in a location, if necessary. The other two opportunities are all centered on documentation.

## **F. 2005 Audit update**

MR. DANIELS briefed that the scope for the 2005 audit was (1) Audit of National Headquarters, (2) Audit of CAP Mart, (3) Continuation of "national audit concept," and (4) Single Audit. It is similar to the 2004 audit, other than the 11 wings requiring separate audit. Also, the auditor will be doing a site visit to five wings and one region, which will be the first visit to a region office. He provided the anticipated 2006 schedule for conducting the 2005 audit. Ultimately, the auditors hope to provide conclusions at the June 2006 Audit Committee meeting with recommendations for BoG acceptance in sufficient time for the single audit clearing house on 30 Jun 06.

## **DISCUSSION**

MR. WHITMAN asked if the information on the slide briefing could be provided in advance (preferably not printed in blue for ease of reading). It would be helpful to have the information before the meeting. The auditor agreed.

LT GEN KEHOE, USAF (Ret) agreed that receiving the information in advance would cut down on some of the automatic information that is furnished at the beginning. Secondly, he stated that if the board had an opportunity to look at the information in advance of the meeting, the members would be better prepared to ask appropriate questions in select areas.

BRIG GEN BERGMAN noted that the backlog for the audits will be current with the 2005 audit. He added that it appears the CEMS and Permission Systems audits will result in two more unqualified audits for CAP, which is significant. He expressed appreciation to the National Headquarters staff and the volunteers to make this happen.

MR. ROWLAND, CAP Executive Director and BoG Executive Secretary commented that CAP made a major investment in training in the financial area which also contributed to the improvements in the auditing process and the unqualified rating.

## **G. Financial Management Update**

### **a. Off cycle audit visits**

MS. EASTER/CFO made a formal request to the Audit Committee to allow Wilson Price to go initially to three additional units this spring and summer. She recommended the site visits not be conducted at the same time as the audit. This process will ensure more efficiency in the audit.

## **ACTION:**

**MR. WHITMAN moved and LT GEN KEHOE, USAF (Ret) seconded** a motion to permit audits of two additional wings and one squadron.

## **THE MOTION CARRIED UNANIMOUSLY**

NOTE: There was clarification that sufficient funds were available for these audits.

### **b. Odessa Squadron**

MS. EASTER/CFO briefly discussed the Odessa Squadron and stated that it would be discussed in more detail during the closed Inspector General Update. She briefed that during a routine visit to a squadron financial irregularities were discovered. The FM staff and the IG went back to the squadron, seized the records, and are in the process of conducting a full investigation of a fundraising through a Bingo operation. The IRS has also issued a request to audit the records of this squadron. CAP will cooperate with the IRS and provide information from the CAP audit and the IG investigation. An information paper on the Odessa issue was handed out.

MS. EASTER/CFO further stated that when the Odessa problem was taken to the National Executive Committee, the members immediately proposed and passed an amendment to the financial regulation to treat all the 15 largest squadrons—any squadron having over \$30,000 in either assets or financial transactions throughout the year—as wings. They will fall under the same accounting and auditing oversight that a wing does. Those squadrons will be visited very soon. They will be set up under e-accounting and the initial cost for e-accounting for those 15 squadrons will be about \$5,900.00, which will be absorbed in the budge. Ms. Easter stated the finance regulations are being modified for squadrons, which hopefully will be presented to the Winter National Board for approval.

### **c. Wing financial assessment**

MS. EASTER/CFO briefed the new wing financial assessment. She handed out (1) Information Paper on Item Discussed at NEC, and (2) CAP Financial Assessment Procedures & Protocol. She added that the wings are really taking finance seriously now and are coming up with unique methods and mechanisms to deal with planning at the wing level. The new wing financial assessment is another step to require high-level accountability. The region commanders are being tasked by the National Commander to maintain controls at the wing and region level. Then if the region commanders are not holding the wing commanders accountable, Maj Gen Pineda, CAP, will require an explanation. Already, the risk level at wing level is decreasing.

### **d. Unqualified audit opinion update**

MS. EASTER/CFO briefed that the Virginia Wing has come up with a novel idea that may solve the solution for an unqualified opinion. That wing has pulled all the money from all the squadrons to the wing level. The wing is acting as a “banker” for the squadron. The wing pays the bills for the squadron. This procedure appears to be working and FM proposed that Wilson Price visit the Virginia Wing next spring (Apr 06)

to determine if this process meets all of the financial controls for an audit. If so, this would be the first time a wing would receive an unqualified opinion with all of its subordinate units. There was clarification that sufficient funds are in the FM budget to pay for the extra audit.

LT GEN KEHOE, USAF (Ret) concurred with taking this action. He expects that this initiative may be expanded to other wings, especially larger ones to see how it would work on a larger scale.

MR. WHITMAN asked how the fees were determined and reminded that normally there is competitive bidding. He agreed that the audit needs to be done by Wilson Price but commented that CAP needs to have justification and documentation for these fees.

**MR. WHITMAN moved and LT GEN KEHOE, USAF (Ret) seconded a motion to approve a Wilson Price audit of the Virginia Wing for the purpose of evaluating its novel idea to serve as a “banker” to manage and monitor the funds for each squadrons in that wing.**

#### **THE MOTION CARRIED UNANIMOUSLY**

MS. EASTER added that if the Virginia Wing initiative proves favorable to pursue in other wings, she believes that 39 wings (with 34 or less squadrons) would qualify for this procedure; 8 more wings (with up to 53 squadrons) would probably qualify; and the 5 very large wings (with up to 102 squadrons) would probably need another solution. She further stated that FM was challenged to find another way to get an unqualified opinion below wing level and this volunteer initiative is a start in the right direction.

##### **e. Wing Commander training guide**

MS. EASTER briefed that the financial training guide was developed at the FM Summit to give “hands-on” guidance to the wing commanders. This guide has been very favorably received in the field. In the future, the region commanders will personally present this document to incoming wing commanders. A copy of the guide was distributed to the Audit Committee members.

##### **f. CAP Mart Issues**

MS. EASTER/CFO stated that because of a potential tax liability with CAP Mart sales, there have been discussions about whether to start paying sales tax with a large infrastructure investment or to outsource. The recommendation is to outsource. She added that a sales tax liability was proved for 2004 based on total sales. In the interim, CAP is paying a use tax on all purchases in order to reduce any tax liability incurred, since there is currently no tool in place to remit or account for the sales tax. The target date to outsource is 1 Jan 06 and will eliminate the inventory and eliminate the requirement to invest in infrastructure. Ms. Easter added that they went back 3 years on sales to determine a potential liability but anticipate half of that could be negotiated. There was clarification that the headquarters has a reserve of over a \$133,000.00 for the tax liability.

MR. WHITMAN expressed appreciation to National Headquarters and Wilson Price for the progress the Audit Committee has made since its inception.

THE AUDIT COMMITTEE MEETING ADJOURNED AT 0910, Wednesday, 7 December 2005

FOLLOWING THE OPEN MEETING THE FOLLOWING CLOSED SESSION AND PRIVATE MEETINGS WERE HELD:

**H. Inspector General Update – NOT RECORDED**

**I. Private meetings**

- a. CAP-USAF and Ms. Tyler – NOT RECORDED
- b. External Auditors – NOT RECORDED
- c. CAP Executive Director, CFO – NOT RECORDED

# APPENDIX G

## AF/XOS-HA Update Slides

### *Overview*

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- XOS-HA Manning
  - Board of Governors 12 Top Issues
  - XOS-HA Flight Plan
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1

### *XOS-HA Manning*

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- Lt Col Ken Wessels: Deputy Chief, XOS-HA
  - Lt Col Jim Macko: Chief, Doctrine and Interagency
  - CMSgt Ingrid Fitzpatrick: Doctrine/Interagency A/O
  - SMSgt Kim Gantt: Doctrine/Interagency A/O
  - Maj Eric Hommel: Chief, Policy and Programs
  - MSgt Yalonda Walker: Policy and Programs A/O
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2

1. FECA/FTCA Coverage - Corporate Insurance Crisis
2. Proposed Legislation - Making CAP the Resource of Choice
3. FAA Exemptions - FAA Meeting
4. Problems with AFI 65-601, Vol. 1, *Budget Guidance and Procedures*
5. Civil Air Patrol Glider Program
6. Program Narrative
7. Wing Administrators for Every Wing
8. National Operations Center Funding
9. Stabilized Funding for the Civil Air Patrol
10. Location of CAP-USAF in the Air Force Structure
11. Regulations Promulgated IAW 10 USC 9448
12. Air Force Approval of CAP's Concept of Employment

- CAP Priority: 1
- Issue: AFAM status changes caused commercial insurance to raise premiums.
- CAP-USAF working with AU/XP and AETC/XPP to ensure adjustments to CAP POM baseline
- Recommendation: **CLOSE**

- CAP Priority: 2
- Issue: CAP missions requested by state or local agencies are generally not assigned as AFAMs. This position is incongruent with CAP's ability and desire to provide short-notice response at local level
- CAP can respond in these situations flying missions as the Corporation
- Proposed legislation is contrary to SECDEF policy
- Executing now with 1AF (NORTHAF)
  - 81% of AFAMs are flown for non-USAF customers
- Recommendation: **CLOSE**

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- CAP Priority: 3 XOS-HA: Critical
- Issue: CAP requires certain exemptions from the FAA in order to legally perform certain missions
- AF/JA ruled AF can advocate to the FAA for exemptions relating to AFAM only
- CAP must continue to work with FAA for exemptions relating to corporate missions
- Recommendation: **CLOSE**

8

- CAP Priority: 4
- Issue: Current AFI 65-601 predates CAP Cooperative Agreement and Statement of Work and is an impediment to full implementation of DoDGARS
- CAP-USAF/FM is in the process of submitting IMC AFI 65-601 to SAF/FM
- Recommendation: OPEN

- CAP Priority: 5
- Issue: The CAP Cadet Glider program was given AFAM status from FY 1996-2003, which changed in Nov 2003, which impacted funding and FTCA/FECA coverage
- New AFI 10-2701 allows funding
- CAP has submitted package to CAP-USAF for AF/XO approval; package currently at XOS
- Recommendation: **OPEN**

8

- CAP Priority: 6
- Issue: The SOW needs to be rewritten and expanded to better address “substantial involvement”, and methods for monitoring program performance
- New AFD and AFI in place which sets groundwork for requested expansion of SOW
- CAP-USAF ready to continue efforts in Jan 06
- Recommendation: OPEN

- CAP Priority: 7
- Issue: Wing Administrators were needed to replace positions eliminated during manpower reductions to accomplish work required by the AF
- Prioritized list approved by NEC
- Spending plan approved by CAP-USAF/CC
- Hiring proceeding
- Recommendation: **CLOSE**

10

- CAP Priority: 8
- Issue: The CAP NOC stood up 1 Oct 02 to implement USAF required changes using personnel who previously did other duties. CAP is not funded to provide a fully manned 24/7 NOC.
- Some CAP-USAF FY05 EOY fallout applied to NOC
- \$900 K request submitted as FY06 unfunded requirement
- POM submission for FY08
- Recommendation: **OPEN**

11

## ***Stabilized Funding for CAP***

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- CAP Priority: 9 XOS-HA: Closed
  - Issue: CAP's baseline budget continues to shrink, along with increasing operating costs, added cooperative agreement compliance requirements, and rising personnel benefit costs, this has resulted in fewer dollars for CAP programs
  - SECAF will not reduce his flexibility to move Air Force Funding as needed
  - Some Congressional actions impact all Air Force programs and override earlier legislation
  - Recommendation: **CLOSE**
- 

12

## ***Location of CAP-USAF in AF***

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- CAP Priority: 10 XOS-HA: Critical
  - Issue: The location of CAP in the Air Force structure plays an important role in determining how CAP functions. Initiate a broad area review to determine if CAP may be more effective as a FOA, or under XOS-HA, or as part of ACC
  - Air staff study concluded CAP-USAF should remain assigned to Air University;
  - SECAF concurred and closed study
  - Recommendation: **CLOSE**
- 

13

## ***Regulations IAW 10 USC 9448***

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- CAP Priority: 11 XOS-HA: Closed
  - Issue: CAP requested a ruling regarding the need for regulations to comply with the Administrative Procedures Act and must be published in the Code of Federal regulations
  - AF/GC ruled that while there are certain proposed regulations that must be printed in the CFR for potential public comment, there is no such requirement for the current Air Force publications relevant to CAP
  - Recommendation: **CLOSE**
- 

14

- CAP Priority: 12
- Issue: Approval of CAP CONEMP is needed to facilitate employment as a resource in HLS because it states that CAP can support HLS efforts through airborne recon, imaging, monitoring and transportation. The CONEMP shows how CAP can employ assets to support the *President's National Strategy for Homeland Security*
- Important parts of CONEMP imbedded in new AFPD and AFI
- DHS is working with the Air Force on new MOU which will contain this information
- Recommendation: **CLOSE**

***Flight Plan***  
***(Approved by AF/XOS)***

- **Objectives**
  - **Develop Doctrine, TTP and “Command Relationships” for Effective C<sup>2</sup> and Force Presentation**
    - Senior Leaders Need to Understand AFAux Force Presentation/C<sup>2</sup> and Need to Know What to Expect
  - **Educate USAF, Joint Community and Federal Agencies on Capabilities and Use of Air Force Auxiliary**
    - Lack of Understanding = Lack of Use

## Develop

- **Command Relationships**
    - Include Language in Statement of Work Concerning Presentation of Forces and C<sup>2</sup> (Jan 06)
    - Develop MOUs as Required (CY 06 – 07)
  - **Doctrine/TTP**
    - Develop Capability Packages Similar to UTCs (Spring 06)
    - Expand Coverage of AFAux in USAF Doctrine
      - Add to AFDD 2-10 *Homeland Security*
- Or**
- Develop AFDD 2-10.1 *Air Force Auxiliary* (CY 06-07)
  - Develop AF Publication to Cover AFAux TTP (CY 06-07)

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## *Educate*

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- Incorporate AFAux into All Air University PME and Training Courses such as JFACC Course (Spring – Summer 06)
  - Develop Planners Checklist on How to Use/Get AFAux (Mid 06)
  - Road Shows to NORTHCOM(AF), PACOM(AF), TRANSCOM(AMC), JTF-Alaska (Summer – Fall 06)
    - Joint USAF/CAP Effort
  - Engage with Other Federal Agencies (Fall 06 – Winter 07)
    - Joint USAF/CAP Effort
- 

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